[Shri T. Gopal Krishna]

I also request the Union Government to extend the watershed scheme to more places and increase the facilities and give help to the under privileged.

[Tranlsation]

(v) Need to amend suitably the environment laws so as to ensure implementation of development projects

SHRI LALIT ORAON (Whardaga) : Consequent upon the Supreme Court's decision on conservation of forests, the very continuance of the projects in Vananchal region in Bihar is in trouble. The people have to suffer from their basic facilities. Permission for the schemes pertaining to roads, canals, telephones lines, water supply and electricity lines passing through the forests are not being accorded. Forest is a nature gift to mankind, and its conservation is our duty but forest conservation Act is becoming a curse for Vananchal region. All the developmental work become stand still.

I, therefore request the Government to make environmental Laws flexible for the developmental schemes, so that implementation of these schemes could be ensured.

(vi) Need to re-open spinning mill, Marella Akbarpur in Ambedkar Nagar district, U.P.

SHRI GHANSHYAM CHANDRA KHARWAR (Akbarpur): Mr. Chairman, Madam, through you, I would like to draw the attention of the Government towards Marella Akbarpur spinning mill where lock-out has been continuing since 11th June 1990. Our district Ambedkar Nagar is already a backward one. There is only one industry in the district and even then lock-out has been made this district is becoming backward. Since the lock-out by management and workers were force fully evicted from the mill, the four thousand employees and about twenty thousand persons dependent on them are on the verge of starvation.

Madam Chairman, through you, I demand' that this spinning mill Marella Akbarpur may be reopened and all the irregularities committed after 4th May, 1990 may be investigated by a judicial commission.

14.29 hrs.

GENERAL BUDGET–GENERAL DISCUSSION–1997-98

DEMANDS FOR GRANTS ON ACCOUNT (GENERAL) – 1997-98

SUPPLEMENTARY DEMANDS FOR GRANTS – GENERAL – 1996-97

AND

DEMANDS FOR EXCESS GRANTS GENERAL – 1994-95 *contd.*

[English]

MR. CHAIRMAN : Shri L. Balaraman.

*SHRI L. BALARAMAN (Vandavasi) : Madame Chairperson, I thank you very much for giving me an opportunity to speak on the Union Budget for the year 1997-98. On behalf of the United Front Government, Hon'ble Thiru. P. Chidambaram, our Finance Minister has submitted the Budget this year. I am here to welcome this Budget and my party joins with me in doing so.

As far as this august House is concerned, for many a times, right from the beginning, from the time when 'the light of Asia'. Late Pandit Jawaharlal Nehu, our first Prime Minister was there, Tamil Nadu had played a significant role through the Finance Ministers from there. Late Shri R.K. Shanmugam Chettiar was the Finance Minister in Nehruji's Cabinet. Later on Late Shri T.T. Krishnamachari was our Finance Minister. Later on, Thiru. C. Subramaniam and Thiru R. Venkatraman were there as our Finance Ministers. Now we have Thiru. P. Chidambaram holding the Finance pertfolio.

The Budget presented by Hon'ble Thiru. P. Chidambaram is a welcome budget in the sense that it is welcomed by all the people from various sections of the society. The features of the budget are quite welcome and the criticism against the Budget are far less. Hon'ble Thiru. P. Chidambaram has presented his second budget in the Eleventh Lok Sabha in an appreciable way.

On the one side we find criticism that economic growth may not be achieved through this Budget. But at the same time we find the accolades the Budget gets from the industrialists and common people and appreciated by them all. Even the earlier Governments with absolute majority in this House could not submit a Budget of this kind. That was the situation then.

Tamil Meenila Congress (Moopanar) Party is one among the 13 parties that have formed a Government at the Centre. Thiru P. Chidambaram is a member of the TMC Party which is a constituent party of the ruling United Front. Through our Hon'ble Thiru. P. Chidambaram we have contributed our role. The Budget presented by our beloved Thiru. P. Chidambaram ensures the stability of this Government. It also stabilises our economy. We are very happy about this. We feel proud and we are proud of him.

In this multifaceted Budget that has several aspects, he has increased allocations to many sectors and ensured subsides to the areas where they are required. This balancing act of his is considered a big feat and people are amazed and admire him for this. Cut in duties and reduction in taxes have been announced. These cuts are not normally made by any Government. But Thiru. P. Chidambaram has managed to bring down the tax rates. He has also indicated that there will be effective finance management and thereby an efficient Administration.

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* Translation of the speech orignally delivered in Tamil.

Now we find ourselves in a position to appreciate this welcome Budget that could ensure economic development. He had stated in his Budget that the Gross Domestic Product had come down to 6.8% from 7.2% of the previous year. Now he had prepared his Budget in such a way that our economic growth rate will get an impetus and the hopes for an increase in the GDP is high. Industrial growth rate that had come down from 11.7% to 9.8% is poised for an upward trend again. Likewise growth rate for agriculture that had fallen from 4.9% to 3.3% is expected to see its rise again through rational allocation of funds through grants, subsidies and credit facilities. When our growth rate is 6.8% and at a time when sliding trend is seen in certain other sectors, he has given a Budget that gives us hope.

Inadequate power supply would hamper the industrial growth. He has rightly reminded the people of the country that the shortage of power might reduce industrial growth rate. He has attempted to provide for increasing the power generation.

He has pointed out that our foreign debts have come down from 9900 crores of dollars to 9220 crores of dollars. He has saved the country from the debt trap.

He has also introduced a new literacy and special education scheme for the girl child. When we think of women's education we must also think of child labour. In order to curb the child labour, our Hon'ble Labour Minister is contemplating several legislations. He is enacting several laws to put an end to this child labour. Girls are the most affected in this exploitative child labour. The new scheme envisaged by the Finance Minister paves way for a social change and social transformation to render social justice. The upliftment of women through education is a well thought out programme. This should be further strengthened by introducing compulsory education upto certain level. Unless and otherwise it is done, programmes for girl-child-education and abolition of child labour would not be yielding results. I would like to remind our Government of this reality.

Basic Minimum programme to benefit the rural poor gets an allocation of about Rs. 3300 crores. The people who live below poverty line are about 70% of the total population. We are taking several steps and measures to change this situation. Creating job opportunities for the rural poor, self-employment and training programmes for the youth, Jawahar Rozgar Yojana are among the many poverty alleviation programmes that are continued to be Implemented. We ensure change with continuity. But at the same time the ever continuing problems of the poor should go permanently. Effective steps in this direction in the social sector should reach the poor. I request the Government to accord priority to wipe out the tears of the poor once and for all.

When we talk of the poor and poverty, we must also take into consideration the widening gap of growth between the urban and rural areas. In search of a livelihood to earn their bread the rural poor work hard. They also move towards urban areas. Because industrial units are set up mostly in urban areas. Be it the Union Government or be it the State Government, the policy remains the same to promote industries in the urban towns and cities. If we are to ensure rural development and rural poverty alleviation, we must share the Gandhian thought to set up industrial units in villages. This should not remain merely on paper, it should be translated into action. There are certain things like inadequate infrastructure facilities come in the way of setting up industrial units in rural areas. Government should come forward to effect a shift in focussing industrial growth. I request the Government to create a conducive atmosphere and then alone the lot of the poor especially from the rural areas could be improved.

Rs. 3300 crores of allocation for poverty alleviation must reach the needy and rural poor the – intended beneficiaries. They should get the benefit completely. We must take care to see that there is a proper mechanism. We must ensure that the entire allocation meant for the poor is not misused anywhere else. The Government must have an appropriate control and monitoring mechanism. Otherwise our efforts will only go in vain. As such we find certain lacunae here and there. The Government must take steps to plug the loopholes. You must create a right kind of environment. There should be proper check and balance and monitoring mechanism.

When we want to help the poor and the needy, we provide for several grants and subsidies. These funds flow through our nationalised banks. There was a time when the managers and the administrators of the banks were men of integrity. Now corruption is rampant among many of them. Integrity is lacking in good number of them. Now we find that they distribute the aid and loans meant for the poor only after getting their undue share or cut from the beneficiaries. I am to request the Finance Minister to ensure that this Rs. 3300 crores reach the rural poor intact. This must not grow into a big problem.

Subsidy for fertilisers and foodgrains have been increased. Most of the fertiliser manufacturing units in India come under the public sector undertakings. Their production costs are always on the increase. The benefits of these subsidies go mainly to these fertiliser units. Of course there are many problems to give these subsidies to the farmers directly. At times the problems faced by the small and marginal farmers are more and they may not have adequate resources and Inputs. The Government must prevail upon these public sector undertakings to bring down the manufacturing costs. We must also devise ways

[Shri L. Balaraman]

and means to distribute these subsidies directly to farmers. You must create proper atmosphere to bring about this change.

The fund allocation for the highways development in the infrastructure sector has gone upto Rs. 500 crores from Rs. 200 crores in the previous year. This is a welcome change. As far as road accidents are concerned, it gives us real concern to note that India tops the list at the international level. Statistical datas reveal that the incidents of road accidents are more in Tamil Nadu than in any other State in India. In order to change the trend, Government must take effective steps like widening the roads and laying durable strong roads. I would like to highlight the figures of road accidents in the Madras-Banagalore National Highways. Almost everyday road accidents do occur and it is said that there is a death of one person for every kilometre of the total length of the road. What could be done to avert and bring down the road accidents ? Rs. 500 crores might be spent on maintenance. Alternative plans to ensure road safety should be contemplated. State Government should cooperate with the Centre, while the Centre comes forward to help the State Government in all possible ways to improve this infrastructure facility.

About Rs. 15,770 crores of rupees have been allocated for social sector and social welfare programmes. These are channelised through various schemes. They must be restructured, streamlined and improvised. If we think of social sector beneficiaries, most of them live in villages. They should be rendered justice and given their due.

Again I would like to stress upon the need to ensure the beneficiaries, the rural poor really getting the benefits. I request the Finance Minister to be cautious and be watchful in this social expenditure to avoid its becoming wasteful. I would like to remind the Finance Minister of his added responsibility here.

New concessions announced in the rural housing schemes are measures that are to be welcomed. This is meant for the poorest of the poor in the villages. The rural poor get a roof – a shelter and these kinds of social measures would bring in a social transformation.

NABARD gets an increased allocation of Rs. 500 crores. This will greatly benefit the farming sector. This is a progressive move. This would help the rural development process to grain momentum.

We find the foreigners and the western economists appreciating this year's Union Budget. Our economy is moving in a right direction. The Central revenue collection has increased by about 16%. Direct taxes like corporate tax, personal income, customs and excise duties would fetch a revenue 16% more than the previous year. This is a welcome move.

The administration should be free from corruption and this can be done only by way of streamlining the administrative powers that are vested with the bureaucracy. This can be effected through decentralisation and paying allocated funds directly to the Panchayats to carry out microlevel planning in every rural unit. The urban population is only 30% whereas rural population in 70%. The Government owes it to the rural people to improve their lot and help them to improve their living standards. The fund allocation should also be proportionate to both the urban and the rural population. I hope our Finance Minister would consider this and try to adopt it when he prepares next year's Budget.

Economic liberalisation is the need of the hour. Then alone we can widen our economic base. Panchayats and village people should get enhanced allocation. When late Shri Rajiv Gandhi was our Prime Minister, his plans envisaged direct allocation of funds to Panchayats at the grass root level. Based on that we could streamline the democratic form of Government right from the Panchayat upto the Parliament at the national level. Panchayati Raj system mean this. This alone would give impetus to rural development..

In order to add new vigour and dynamism to our agro-economy our Finance Minister of should come forward to allocate more funds to social sector especially rural sector. Agriculture is the basis of our economy. The country depends on its growth through expansion and modernisation.

I hope our Finance Minister would consider the needs of the farming and rural community and would introduce several new schemes and projects for the uplift of the poor especially the rural poor who are much deprived even in poverty.

Multinationals intrude our economy through several ways and means. For instance, Tissue culture technology is there. Industrialists venture into these modern agro-production methods. They take away the Governmental subsidies meant for promoting modernised agriculture related activities. These subsidies are basically aimed at benefiting directly the farming community especially able and informed farmers who are progressive. But these subsidies are now going to industrialists. They may go directly to foreign investors and multinational giants. Crores of rupees would go to them. Government must look into it and nip it at the bud.

I fervently hope our Hon'ble Finance Minister would take more steps to keep our farmers happy. I wish he takes steps to create a better atmosphere for the farming community to grow and thrive. Welcoming and supporting the Budget both on my behalf and on behalf of my party Tamil Maanila Congress, let me conclude my speech.

[Translation]

SHRI GEORGE FERNANDES (Nalandi) : Mr. Chairman, Sir, once it so happened in 1985 that I was holding parleys with some of the friends of the then Primiere. One of them told me that nothing could be done for 50 per cent hopless people of India and therefore we should give up thinking about them. Now if 10 per cent people out of remaining 50 per cent people are entertained well, then it becomes easy reach 40 per cent people. Then he come to election and came to the conclusion that if these 10 per cent people are served well, then one can run the State very smoothly. Such talks we had. When I expressed my resentment on such thinking and condemned the way of thinking of the people running the country. But at that time I did not have even the ghost of the idea that his opinion, which he expressed in 1985 would be followed by the United Front Government in the beginning of 1997 but I am sorry to say that with the support of CPI and CPM such policy would be introduced through the budget. Which would keep out not 50% but 70-80 per cent people out of its ambit

14.49 hrs.

[SHRI NITISH KUMAR *in the chair*)

Mr. Chairman, Sir, in the budget brought by Hon's Finance Minister and Prime Minister declaration has been made mainly in favour of 10% people of the country and then obiviously the multinational would also be included with them as the local as well as foreign people related to them would also be benefited with it. But it would be great illusion if one thanks that this budget has been made for common people. You have reduced the custom duties and then help the foreign companies to flourish their trade in the country. You reduced the excise tarrif with a view that if some taxes are reduced then our people would be able to compete with the foreign countries but the reduction in excise duty made no difference and the foreigners have made their hold here in the country. One man or a singal company was hold 60-65 percent trade of cold drinks in the country. One multinational company purchased it for 60-70 million dollars, or say Rs. 180 crores approximately and liquidated it. I don't think that with reduced excise duty we will become capable of competing with foreign companies products but the worst that you have done is that you have opened the insurance sector for foreigners. For this you have used the words very cunningly but do your pranks where they work. You can not entice us with them. I am addressing my leftist friends specially, who is their zeal were terming this budget as a pro-poors in their over enthusiasm. Here I would like to narrate a came's story. The Finance Minister, in other worlds the Government has taken an initiative by handing over the entire insurance industry and the SEB under the control of foreigners. Even if all the Ministers of the Government come out with folded hands and assures that such thing would not happen, that will have no credibility at all because earlier also this thing was said in Dabos. They made promises where ever they had a chance to talk to foreigners. That's why we lend to credibility to the statements made by the Government, inside or outside the House. You gave success to elite class. The relief given to affluent people and the foreigners will cause a deficit of Rs. 30-32 thousand crores to the exchequer. The Government would have enriched its exchequer if they had not done this tax arrangement.

Sir, I would like to tell the Minister that clever manipulations should not be made in the budget. Better if we had given a clear cut policy to the nation through the budget and had told them about its consequences. You took some decisions regarding Income tax, Excise and Custom due to which our exchequer is sustain of loss the extent of which have not been assessed by you, nor you mentioned about it in the budget. You must have mentioned that. You have tried to enlite the people by not mentioning about it. You made no mention of oil pool, we don't ask you to impose more taxes to the tune of Rs. 16,000 crores or of Rs. 20 crore after the expiry of the month. Rather we would ask for no taxation at all. I do not want to mention about other States. The Government is aware of the fact that in Maharashtra and Gujarat people are minting money by indulging in wrong practices, such as giving threatenings to the Ministers. The oil Mafia tried to get one Minister killed by paying assassins Rs. 5 crores. We are aware of it. I have also taken a strong stand on this issue. I have good relations with workers. I have fully apprised the Government in this regard on behalf of trade Unions. After giving this information to the Government, one of our colleague had to take police protection for six months. Still he sleeps with a revolver under his pillow, we know where the money is.

As for the oil sector, it is essential to check the earning spree of the oil companies. Tomorrow you will have Rs. 20 thousand crores at your threshhold but you will not do that becuse you brought a programme 'Dhobighat'. You have stated in the budget that you are going to enact a legislation to check laundering of money but where is that piece of legislation, you are about to indulge in laundering. The cost is 30 percent,. If washing costs Rupee one, then 30 paise has leave aside 30 paise. Charge 60-70 paise and after washing carry away a clean bundle. This is what you did. I am not asking for a increase in taxes. I know you will raise them. Perhaps the same thing you want to hear from the people. One day very cunning by you will say that all the economists, members of opposition and

[Shri George Fernandes]

leaders are asking you about the future of oil pool. That is why, agreeing to all of them I have come here to get this increase materialised.

You would say that the entire world is aware of it. At that time also I will ask you to check this looting in the western India. You need not borrow a single paise. You misguided the middle class people by telling them that you are going to set every thing right for them and have brought it to 10 per cent. I want to bring one thing to the notice of the House, that is section 80 of the Finance Bill is worth reading. So for the excise used to be levied on liquor, cigarettes etc. at the factory gate but now the act has been amended. This amendment will empower the Government to levy excise directly on retail rate after giving a notification in official dossier. It suggests that Section 4(A) be added after Section 4 of the Central Excise Act, 1944, i.e. in Section 80 of this Finance Bill. The middle class people of the country should listen to it. It reads as follows.

[English]

> 'For the purpose of this section, 'retail sale price means the maximum price at which the excisable goods in packaged form may be sold to the ultimate consumer and includes all taxes local or otherwise, freight, transport charges, commission payable to dealers and all charges towards advertisement, delivery, packing, forwarding and the like, as the case may be.
>
> Explanation (2) : Where on any excisable goods more than one retail price is declared, the maximum of such retail price shall be deemed to be the retail price for the purposes of this section."

15.00 hrs.

[Translation]

Mr. Chairman, Sir, So far excise on drugs used to be *assessed on factory gate itself on the basis of which* manufacturing cost used to be assessed. Now of this act *is passed and the prices of drugs are notified accordingly, then you will have to bear the amount spent on press advertisements and hoardings etc. showing boys and girls dancing. Tax relaxations have been given. By these means you have made all arrangements to charge more money. If you don't do that, you will tell that but you have taken* arms in your hands. You can not deny this thing, as I have read out your own legislation to you. This budget has tried to allure and confuse the people. I would like to know from the Minister as to what efforts were made to move this Bill. Today or perhaps yesterday I read in a newspaper that an Ambassador asked someone as to why 40% tax and 45% corporate tax imposed on the rich has been reduced to 30%. That persons had no reply to this query. Then the Ambassador said as to where was the need to borrow money from other countries on lesser and concessional rate of interest in future ? He also said that probably no other instance would be found throughout the world where the upper class have been placed in 30 percent tax bracket. Certain elements in western countries like U.S.A. who wish to impose their policies throughout the world are shooting such orders to persons who are a part of this House and this Government. From Davos to New Delhi, this step is being appreciate. But tell me about the income tax levied on higher level people in U.S.A.. Hon'ble Minister should be aware of it. In U.S.A. such a tax stands at 39.6% at the maximum at higher levels and maximum corporate tax is 38.9%. Not only this, the States levy their own income tax. For example California may be the richest State in U.S.A. but New York is most renowned state where a number of people are involved in court cases. I raised this matter in the House but nobody pays any attention to it. In New Nork, personal income tax for corporation and individual stands at 8 to 8.5 percent and corporate tax is 39.6% and 38.9%. If we add them up, it comes to 47% and here the limit is 30%.

15.02 hrs.

[SHRI P.M. SAYEED *in the chair*)

Mr. Chairman, Sir, India is a poor country. Those who are rich or have some means should contribute some money to the exchequer and this is the purpose of levying tax that they should be making the contribution. If they make money in this country, they should make the contribution also. But Hon'ble Minister is unable to understand this basic purpose. Which is the country in the world that has served as his model and what instance the Hon'ble Minister has kept in mind while announcing a reduction in taxes. The matter does not end here. We said that a laundry has been opened. I am not concerned whether clothes would be washed there or the money would be laundered. At this, they will say that it has been done earlier also. Such a reply is given. It is no reply at *all. You are reminding the nation again and again not to be honest, for, the honest are punished and the dishonest are rewarded. You have re-iterated once again that if one turns dishonest leaving honesty, he would be given all sorts of facilities. When Hon'ble Minister would rise to give a reply, he would speak very cleverly.*

[English]

Section 63 of the Finance Bill says :

"Subject to the provisions of this Section. . . the net wealth chargeable to wealth tax for any assessment year for which he has failed to furnish return under Section 14 of the Wealth Tax."

[Translation]

Which, in other words, means that if money was earned in a certain year but was not shown in the returns filed that year, may be laundered now. This issue is not limited to laundering of money but even gold or other assets can also be laundered in this manner. The biggest pull off is being observed in case of gold. Today the rate of gold is Rs. 5127 per 10 grams whereas the price of gold was Rs. 1220 per 10 grams in 1979. Those who have the hidden stock of gold, which might have been purchased last year or 10 years ago or even earlier, will not have to answer any questions. One may say that he has not maintained any Account books. Nobody would ask any questions about it and there is no need to say anything. The only thing which one has to say is that this gold was purchased in this particular year and that year could be 1979 and then one would have to pay only Rs. 366 for laundering that gold even if the price of gold is Rs. 5127 per 10 grams now. Hence one may launder gold worth more than 5000 rupees by giving only Rs. 366. One may even encash it he very next day in order to purchase certain other item.

When you are making such sort of arrangement, I fail to understand as to how that is going to benefit the nation. Leave aside the issue of development, the Government seems to be conveying this message to the scruplous persons that they should leave aside their honesty and earn money unscruplously. We are showing them a way to be honest once every five years. Hence, I strongly oppose the proposal mooted by the Government.

I feel very sorry when I see such steps being taken in the name of development of nation. As Hon'ble Minister would shield himself by saying that he'll try to raise money in whatever manner possible or he will say that Jyoti Basu had put such a proposal or the Left parties had put this proposal. Now, I am not aware of the proposal put by Shri Jyoti Basu of whether any such proposal was forwarded or not. May be there is some committee. He might be aware of it. I do not know anything about it but I have definitely read in the newspapers. I do not know anything about that proposal and such a proposal should not have been forwarded by Left parties. But if they wanted to implement that proposal, he should have announced it here. If he wishes to take all these steps in the name of development, I would like to ask Hon'ble Minister that if you have mentioned the point of employment generation in budget, which is the area wherein you propose to generate employment. As the Minister of Finance, you have announced adoption of the same policy as you'd proposed during your tenure as the Minister of Commerce which means that you do not wish to leave your past behind. You are still attached to your past.

You were the Chief Advocate of the new economic policy which was introduced in the country in 1991. The Economic survey laid on the Table this year reveals that in the last four years, i.e. from 1991 to 1996, in all 2,56,000 employment opportunities were generated in public undertakings which includes all the employment opportunities under the Central Government, State Government, Semi-Government and Public Sector Undertakings, under local bodies. This figure does not include industrial employment figures for they are covered under separate head. There the number of job opportunities have gone down. As you are aware that all the public sector companies, are closing down. A total of 2,56,000 employment opportunities have been generated under departmental undertakings whereas 2,13,000 employment opportunities have been generated under Private Sector. If anybody tells me that even while eliminating public sector companies, employment opportunities are being generated by inviting private companies of foreign companies, the truth is that only 2,13,000 employment opportunities have been generated in private sector. Spread over four years, the figure would stand at 1,17,000 employment opportunities generated per annum under both the public and private sector. If we deduct the figures pertaining to the public sector and take into account the figure of 2,13,000 employment opportunities, an average of 40-50 thousand employment opportunities have been generated per year in the private companies in these five years under your policies.

Mr. Chairman, Sir, what else is the Government going to do. One should see as to where the country is headed under these policies. I have held the charge of Ministry of Railways and I have a very close relationship with the railway workers. Everybody knows as to what is the current situation regarding employment in that sector. In the last two years, the Government has abolished 38,000 posts in Railways. This is very much clear in the budget papers. Otherwise also, a large number of posts have been abolished in Railways during last five years. Now this system has been set into motion that employment opportunities are being contained which is giving rise to helplessness and poverty. Consequently, according to the budget presented by the government, 70,537 new recruitments have been made in the police services. 70,573 persons have joined Central Police services. More recruitment will have to be made as some people must have retired also. On one hand, the Government is giving rise to unemployment and generating hopelessness and on the other hand, the number of police personnel is being increased. This has been going on for the last five years and they are still following the same policy.

Mr. Chairman, Sir, I am quoting this data here and I would like to say to the Minister that the day the budget was presented here, I had commented that much more is being concealed than what has been revealed in these papers. The Government has recruited 70,000 police personnel. Last time the original budget estimate was Rs. 4368 crores which was revised to Rs. 4511 crores. Now that the number of police personnel has gone up by

[Shri George Fernandes]

70,000, the budget this year is Rs. 4468 crores which means that the budget has gone down whereas the number of personnel has gone up by 70,000. So, whether the Government has decreased the pay ? If the number of people is increased and pay is given to them, the amount of money kept aside for paying salaries should also increase whereas the amount mentioned in budget papers is lesser than last year. The Government thinks as to who will go through the papers so minutely. Their stragety is to keep on speaking, show some data and then do whatever they feel like. Who is there to keep a check on them. As was done last year also. This year, the figure given under Plan Investment in budget has gone down by ten thousand crore rupees in comparison to last year's budget. The amount has been reduced under all the heads but nobody enquired about it. Now is the time to make an enquiry but how would that help ? Hence I would like to ask the Minister as to which are the other departments wherein this sort of discrepancy exists as I have detected in case of police department that the requisite funds not released ?

Mr. Chairman, Sir, their economic policies are leading us to a different direction. The Prime Minister of this Government is holding a document in his hands which has been presented here by several Members during the last two-three days. The coastal land was acquired, procured by any means and then prone cultivation started there. Then the Supreme Court gave its verdict in this regard. We have come to know that now they are trying to violate that verdict and to avoid it's follow up. You are thinking a lot in this regard. The outcome of all your policies and thinking is that the small artisans, fishermen, weavers and the common men who however, take out there livelyhood find no mention in this Budget, no provisions have been made for them Don't tell us that you have allocated crores of Rupees for a particular item, as the truth is that a sequence has been started to liquidate the entire industry. We want that investment be made in this entire sector and in other sectors as well. You please explain in the House the reasons which prompted you not to invest in these sectors.

Mr. Chairman, Sir, one thing more, regarding which we positively want a reply from the Minister today itself. We were told in 1991 that the entire policy aims at boosting exports.

'Export or perish,' this slogan railed the air in India. You gave the slogan that export has to be increased. Now tell me in which field export were increased. You claimed in your budget that India can become a super power. But in which field. We can become super power or a major power in the field of computer softwares, Hardwares, I think you have written the super power.

Mr. Chairman, Sir, I have seen in the Government documents that till January, this year, or till December during the last year the electronics goods worth Rs. 2,137 crores or 481 million dollars were exported from India. As for the Computer softwares, there export has been to the tune of Rs. 167 crores, i.e. 47 million dollars. One per Bill Gate come here who was received here with much of fanfare, that it was a shameful display of our weakness. Will you run after a man who makes money by any means. There are various means of earning money in the world. I think the Prime Minister want after him up to Bombay. Here he was treated in such a way as if he were a man from some another planet, It appeared as if without seeing him, without greeting him with talded hands, without making a request to do something in our country . . .*(Interruptions)*.

SHRI NITISH KUMAR (Barh) : For several day we did not forget the hand.

SHRI GEORGE FERNANDES : We export to the tune of Rs. 47 million of which you boast so much. Our primary products, agricultural and allied products constitute 29 percent of our total exports and 50 percent of this is comprised of fish, Basmati rice, non-basmati rice, wheat, Coffee, cashew, tea and oils.

So far as manufactured goods are concerned, I have told you how we are befooling the entire possing our selves as a Super power in the filed of electronic goods, Computer software etc.

Mr. Chairman, Sir, in all we have four items of export, rather I should say two items i.e. Gems and jewellery. Uncut dimonds are brought and polished here and then exported. We also export ornaments, cotton, woolen, man made fabrics and ready made garments. These two items from the 50 percent of our manufactured goods, exports. It is worth 9 billion out of 17 billion. This is the position. Here we claim that we are making all these exports just for advancement of people. What are your developmental achievements. Then they start befooting and misleading the people, their Budget includes grants. You have a cursory glance of it and see their calculations. He has written that Rs. 767 crores are being granted. for National Social Assistance programme. Rs. 700 crore has been sanctioned for 82 lakh people, which means each family gets Rs. 2 per day. This is our programme but this too has not reached my constituency. It will reach your area next time so far it has been launched in his area. I am telling you as an example that they are getting only Rs. 2 per family. He was all pride while declaring that a sholarship is being granted. Rs. 65 crore are being disbursed among 22,456 students, I.e. Rs. 23 per month to each student.

Go in the market. There you won't get even a cup of tea for Rs. 23, not to talk of a square meal with this amount. We are giving so much monthly scholarship to them, I am telling you all this as an example, if I go on dwelling on all such things, then I will have to continue my speech till morning of day after tomorrow which is not possible.

I want to conclude my speech after dwelling upon two points. First, they befool us in the matter of inflation. Nothing is left for saying as far as the price hike during the last five years is concerned. But I felt very much puzzled when I found that there has been 120 per cent increase in the price of salt. Leave aside wheat, rice, vegetables, fruits and pulses; take this singular item only. Now tell me how a poor person can servive in these circumstances. You have'nt said anything about it in your Budget. After all what can you say ?

I have a copy of the answer to a question which was raised by me on 11th March. In that I had asked.

[English

> "What is the *per capita* expenditure being incurred on the dietary and other needs of the prisoners in the Tihar jail ?"
>
> The answer was :
>
> The expenditure on meeting dietary and other needs of the prisoners is of the order of Rs. 42.60 per day.

Rs. 42.60 per day is the dietary and related expenditure !

[Translation]

Where there is a free house, water, electricity and television, there is no expenditure. No overhead expenditure. is there. All goes directly into their stomach. It the Government spends Rs. 42.60 on each jail bird, then what about the expenditure done on the people of this country and the Government employees. Please calculate this amount and leave all other things aside 45x30x12, that mean to feed a family Rs. 60,000 are required per month; and that too just for the diet which is given to a convicts in the jails. We want to know whether the Minister ever thinks about all these things. He thinks of all these or just confines to thinking about Daos only. He is mindful of only those who bring multinational Companies here in this Country, with the help of which you want to build this nation. This shows that your are concerned about only 2.5 percent to 10 percent people only. Will you ever think about all these things. Everyday Members point out that rail passengers have been looted in Bihar, or in M.P. Why the dacoits will not loot the trains ? What else they will do except looting of trains. You are not creating employment opportunities. Instead you are wiping out the jobs. You are not reducing the inflation, rather increasing the prices day by day. You are not ready to think about the poor. If we raise any thing about the poors, they say they are professional in pleading the interests of the poor as they fill their bellies by talking about the poors. They insult as. Who you are thinking about ? For whom you are doing all this. Therefore, after having undergone lot of harassment we are putting forth all these facts before the Ministers. There is a report of National Council for Applied Economic Research, It is being circulated through out the world. Earlier its circulation was confined to India only the others might not have seen it earlier. . . *(Interruptions).* Recently I saw it, mention in the newspapers world wide. As per this report 80 percent of our people – make assessment treating a family as an unit – one living with an income of Rs. 40,000 per family on an average and have comparatively shorter life span. The Minister, the Government and my leftists comrades are banking on one single slogan of secularism and such secularism is nothing but mearly a secular loot, secular laundering of black money. If you are making them instrumental in doing all these things, then it is my humble request to you to postpone the Controversy of secularism versus fundamentalism for some other occasion and at least give up of the association of such people as one engaged in deliterating the poor people of this country . . .*(Interruptions).*

The last point is about the Defence and I often dispute on it. With this I am concluding.

[English]

MR. CHAIRMAN : I am not disputing that he is a senior Member. But he has taken 42 minutes.

[Translation]

SHRI GEORGE FERNANDES : Mr. Chairman, Sir, I am concluding. It seems that my point will lost in this dispute . . .*(Interruptions).*

MR. CHAIRMAN : Why are you disturbing him. Now he is going to conclude.

SHRI GEORGE FERNANDES : Mr. Chairman, Sir, I generally avoid to take up issues pertaining to Defence. But last year at the time of discussion on the grants of this department, I spoke on corruption and oppression prevailing in military I tried to uncover this fact in this House but so far no action has been taken to improve the situation. It is a separate issue and I am not taking it now. I would like to point out that in the current budget injustice has been done to military and related persons. Injustice has been done to them in two ways. One by the pay commission. I was not aware of the fact that an I.A.S. Officer has been inducted in this commission, which should have not been done. Now-a-days except for one's own interest, no one thinks about the welfare of the country

[Shri George **Fernandes**]

or society. It is considered that now a days budget is prepared in the interest of 2½ percent of total population and every person think about the welfare of his own category. While preparing report of the Pay Commission, a Committee of 5 or 6 secretaries was set up and they have given their recommendations in fevour of their own category. You can say anything to them and do injustice because they are in uniform and cannot speak but you cannot stop them for a long time. This situation should be improved. Not only for military, but justice should be done to police personnel and people engaged in other departments, especially in the matters of recommendations of Fifth Pay Commission.

Secondly, I would like to say something about the funds allocated for defence in the current budget. While making announcement in this regard hon. Minister has given assurance that more funds will be allocated if and when required. This all showed that enough funds have been allocated for defence. A total sum of Rs. 35,620 crore were allocated for defence budget. The revised estimate of previous year was Rs. 29,498 crore, it means that the budget allocation was increased by Rs. 6122 crore or 20 percent. Now out of this total increase of Rs. 6122 crore, Rs. 3620 crores are meant for additional expenditure to be incurred on implementation of Fifth Pay Commission's recommendations, Rs. 837 crore are supposed to be spent on other services, dearness allowance and annual increment of defence personnel and Rs. 32 crore for pension of ex-servicemen, this all amounts to be Rs. 4489 crore. it means that actually only Rs. 1633 crore have been increased. I would like to make my submission that hon. Minister should not take the defence matters so lightly and appropriate steps should be taken to improve the situation at the earliest.

In the end, I would like to urge to this House that the system of launching schemes and programmes in the name of dead or renewed living persons or leaders should be stopped like the Nehru Rozgar Yojana, Indira Awas Yojna, Jawahar Rozgar Yojna and Prime Minister's Yojna. I do not understand that why a scheme has been launched in the name of Prime Minister, then why the government or cabinet has been constituted. Why not the scheme should be in the name of the President, Defence Minister, Finance Minister and Governors of a State. I knew that it is due to the reasons of politics of votes. These people are manipulating to win the votes by using the name of dead leaders of their party. It is not correct for the democratic system. Worship of dead or living persons is not in the interests of democratic system. I therefore, request you for suspending this tradition to save the democracy in the country.

With these words, I conclude and oppose this budget.

DR. LAXMINARAYAN PANDEY (Mandsaur) : Mr. Chairman, Sir, budget is the mirror of the policies and intentions of any Government. The present Government is a motley crowd of 13 political parties of different policies, ideology and intentions. We cannot achieve goods results with different policies and intentions. The same is the case with this budget. The hon. Minister of Finance has presented the current budget in an attractive and delusive manner. This budget seems to be good and attractive but it is going to cause inflation, price rise, unemployment and further deteriorate our economic system. The country is facing economic crisis at present. Inspite of various proposals and announcements made by the Government, neither the external and domestic investment is increasing nor NRIs are coming here. In such a situation how economy will be improved. Budget proposals do not reveal that at all. This budget can be called a spider's web and has created confusion.

Hon. Minister of Finance has made announcement that inflation will be curbed by this budget but it does not seem to be feasible. The way in which the planned and non-planned expenditure has been shown in the budget it does not seem possible that he will be able to control the market or balance the earnings and expenditure in the budget.

I would like to draw your attention towards two points of this budget. During his budget speech, hon. Minister of Finance has made announcement that foodgrain production will be increased by 191 crore tonne and secondly he proposed to provide additional Rs. 2486 crore to states for seven minimum basic eminities like 'Jeevan Suraksha' 'Jan Arogya Beema Yojna', 'Twarit Sinchai' etc. The details given in this regard are illusory and created a confusion. In 1996-97 the budget estimate for agriculture was Rs. 2831 crore which has increased upto 2971 crore in this year. In view of price rise of commodities in market, inflation and other economic developments, this increase cannot be considered effective and appropriate. It is just a meagre increase. In the same way in the budget for 1996-97 a provision for Rs. 7520 crore was made for Rural Development which has increased just to Rs. 7691 crore in the present budget.

The allocation under irrigation and Flood control has been reduced from 1248 crore rupees to Rs. 323 crore. You will see that there has been comparative less budget allocation under industry and transport sector in the present budget.

I want to draw the attention of Minister of Finance that our export will increase and import decrease. But according to data available our export has been reduced, while there has been an increase in the import. Our position is the market is not good because of decrease in the export. There has not been very significant changes in our agricultural sector.

[English]

> "The overall plan outlay for the agricultural sector, however, has been stepped up in the next year's Budget only marginally."

Expressing his dissatisfaction over the marginal hike in the agricultural outlay the Union Minister of Agriculture, Shri Chaturanan Mishra said :

> "The proposed allocation was too low to achieve the targeted growth of about 4.5 per cent. He also regretted that the Budget had not given fresh incentives for promoting agricultural export."

[Translation]

Minister of Agriculture has said that allocation made for agricultural sector this you will not help the agro band export or other export. May economists have expressed their views on the budget. I want to quote an example.

[English]

> "1997 Budget will go down in the country's history as one of the Budgets which provided maximum benefit to taxpayers. *Prima facie* the Budget would be welcomed but on giving closer look the Budget is a mere document to please the people rather than to attempt to face problems bothering the tax administration."

[Translation]

As per his statement and also according to Shri George Fernandes this budget will be beneficial to some special people and capitalists only. The common people are not going to be benefitted by it. I am quoting the views of Hon'ble Shri Chaturanan Mishra regarding former Finance Minister.

[English]

> "Dr. Manmohan Singh, the former Finance Minister has failed to formulate constructive response to the two pressing problems facing the economy, namely, rise in food prices and the burgeoning oil pool deficit. Dr. Singh found impracticable the proposal to distribute grain at half the issue price to those who are below the poverty line."

[Translation]

The people living below the poverty line or are poor, will be provided foodgrains at half the price; but it is not possible in anyway. The present Minister of Agriculture and former Finance Minister, both, are of the views that your policy is helping them, because of budget allocation. The party which is a supporting this Govt. from outside and also which is in the Govt; both are saying the same thing. You have mentioned something about social services. You want to extend the social services and there are little budgetary allocations for social services, minimum necessities of education, heaving, medical treatment, drinking water and problems relating to SC's and ST's. The minimum need is also not fulfilled.

I want to say something on the present days position of industrialists. After all which industry is progressing. It is only those industries which have multinational companies or for those where foreign capital in being invested, rest of the industries are gradually becoming extinct. Textile, sugar, cement and other industries of the country are becoming gradually extinct. In spite of all this you are asking the multinational companies to come, invest and take away the profit. Therefore only from industries are being benefited which are collaborating with the multinational companies, otherwise rest of at industries are gradually becoming extinct. These industries should be revived. Members have expressed their views about the crises being faced by sugar and textile industries. Kindly look into this aspect also. What are the reasons for this even after declaration of the economic reforms ? My friend Shri Nand Kumar Singh is just saying that Nepa paper will is on the verge of closure.

Thousand of workers will become jobless. Why ? They are saying that imported Newsprint is cheaper as compared to indigenous Newsprint. It is because of concessions given in the customs duties. The consumption of domestic products has yielded place of consumption of foreign products. The capital is going out of the country which is now facing capital Crunch. Our export is gradually decreasing. There is less allocation in the budget for export promotion.

The ordinance issued to amend the Reserve Bank of India Act is going to further aggravate the crisis. It is proposed to pass a bill in this regard. Common people will not get the capital easily. I want to know what is the position of Foodgrain production ? Why the production is being less ? The production of wheat is less. We have to import the wheat. Why this situation has arisen ? At page 150 of Economic survey, it has been stated that the import is being made because of less production of wheat, rice and Bajra, It has been said that this year wheat production will be 62.6 million tonne, which is about 3 million tonne less as compared to the last year. The investment which was to be made is the agricultural sector is not being made. Fertiliser are not provided in time. It is all because of faulty export import policy. As a result of this there has been

[Dr. Laxminarayan Pandey]

a fall in the production of wheat and other foodgrains. Wheat is being imported today at the rate of Rs. 7 per kg. as against the rate of Rs. 4 per kg. to our own farmers. So we are not willing to pay Rs. two and a half more to the foreigery instead of our own farmer. Why this situation has arisen ? We have to boost our wheat production.

The same at situation is with Power sector. There is down fall in power production . . .*(Interruptions).*

MR. CHAIRMAN : The other members of your party may not be able to get a chance to speak.

DR. LAXMINARAYAN PANDEY : I am concluding. Because of Power shortage there is Power crisis and production is affected. There is fall in Power production. Now there is shortage of production of crude oil, the market has run short of money. The percentage of people living below the poverty line in constantly on the increase. Even then the Hon. Minister say that he has presented a good budget. We anticipated that the situation has improved. But common people, poor people are suffering. only rich people will be benefited by this budget. But common people will not be benefited by this budget. Please take some steps to become self-sufficient. I want to know the schemes being introduced in this regard. Please clarify the position. More economic assistance should be provided. There is need to check administrative expenditure, whether it is in the social service, medical or Health Sector. I have placed these points in brief. It will not be proper to allocate meagre fund of Rs. 200 crore for the creation of an authority for the maintence of National High ways. Our roads are not safe. It is not proper to allocate meagre amount for National Highways. At the same time there is need to increase the budgetary of allocation under the heads of fertiliser, education, defence etc.

Hon. Minister, Sir, the way your have presented this budget, we do not support it. I hope, the Hon. Minister will certainly pay attention to the points that I have raised.

[English]

SHRI P.R. DASMUNSI (Howrah) : Mr. Chairman, Sir, at the outset, I would like to say that from the Congress Party, we have a political and constitutional obligation to support this Budget and that is why we are performing the duty. But we have a very critical observation of this Budget.

My dear friend, the hon. Finance Minister ended his Budget speech quoting Tagore out of context, and also Deng Xiao Ping, of course, to please the Left components of the United Front. I quite find the change of my dear friend Shri Chidambaram. By changing from the Indian National Congress to the Tamil Meenila Congress, he has forgotten to remember Pendit Jawaharlal Nedru in his entire speech. I do not think it is his fault. But it is due to the arrangement and compulsion. In future, I wish than I will find him more in the Nehruvian framework that in the Deng Xiao Ping framework. Even in the Deng Xiao Ping framework, had he made some positive reflections in the Budget, I would have appreciated him.

The liberalisation that is taking place in China has a very solid background. Having completed the total infrastructure needs in the rural sector by their own, having a total command in their own national arrangements in the key sector, then only they tried to embark on liberalisation, that too according to their own dictates. Of course, they are clubbed with us in the key ten members of the nations which are not in the debt trap but in the main line of foreign debt.

This is a budget whose customs duty re-arrangements ensure the West and the ASEAN countries to treat India as a dumping ground at the cost of self-reliance; it is to confine the inbuilt infrastructure of our own developed technology only for small and medium scale industries, excepting the case of R&D equipment and life-saving drugs. This is an abject surrender to the diktats of the International Monetary Fund and the Western economy which would try to prevail to that extent.

This Budget is a real reflection of the United Front's divergent views and their constituents' views excluding the Left. While drafting the Budget. The Left was given a kind of feeling that the Finance Minister is smelling only their essence but when it was shaped in the form of the Budget, the richest of this nation got the signal that it is their Budget. When it was placed in Parliament, the poorest found that they have no hope. Only the multinationals understood that it is their Budget. This is the process in which the Budget came in the Parliament.

To support a Finance Minister is not to flatter him but to tell him his danger. I am his supporter, not in terms of being a supporter of the United Front, but a genuine supporter. When Shri Chidambaram piloted his last Finance Bill, I did say that I desired to see him place the next Budget. I continue to desire to see him place the next Budget also. It is for only one reason that he did make a commitment to keep the fiscal deficit within the limit of four per cent. Of course, he could not do it. It does not matter. Now, it is marginally at 4.5 per cent. I hope next year he will try to bring this deficit at the level of four per cent of the GDP.

I do hope that you will do that.

Now, this Budget is very peculiar exercise. I do not know whether Shri Chidambaram was a student of mathematics in his school days at the secondary level.

There are a few kinds of exercises in the mathematics known as logarithm. How to bring in a few equations to keep it over-rate and then the equation is on the minus side. This is an interesting exercise of the Budget. It goes like this : I shall pay you 30, you spend 20 with a promise that next year I shall pay you 40, to spend 30 and bringing the ten from the past. That means. I have a commitment to the nation that for the entire planned development growth, certain sums are to be spent. The commitment given to the Parliament for the planned development is a commitment given to the nation. If you compromise for the plan expenditure and save money from there and adjust in your Budget with the hope that next year something will be managed unfortunately, it is not very fair. They are not posing their trust on the nation. Your non-plan Budget can fluctuate. But if you save from your plan Budget, it is not a sign of goods health. You have reflected that picture in this country. Mr. Finance Minister, this is giving a warning signal. And we the Congressmen feel very sad because the overall performance of planned growth of the Seventh Plan and the Eighth Plan has reached beyond the targeted growth. I do not say it was overall. I have known to be a to be a little critical of the liberalisation policy. Not that I am against liberalisation. I can appreciate it. I understand the international compulsions, the collapse of the Soviet Union, the growing resource situation of the leading developing nations of the Third World that compelled many of us to embrace a kind of reform that we never expected. I really feel very shocked and sorry for this.

When I joined politics, I had a dream that poor people would get the final answer on the last day. We enchanted the word 'socialism'. We used to talk of it in many previous Budgets. I am not blaming Shri Chidambaram. The main casualty in India is not the word 'socialism', the concept of socialism, the belief of socialism. Now a new slogan has come to replace socialism which is called 'reformism' – reformism at the cost of self-reliance. I am really worried as to what will happen to this country in future. I am not prepared to believe that we have no capacity. I am not prepared to believe that we have reached such a stage where we have lost everything. Pandit Jawaharlal Nehru had a dream. Whatever he did for this nation was not to see that at the time of fifty years of our national Independence, our country will be at the mercy of other countries to see as to how much foreign investment has come at the diktat of multinationals and trans-nationals. I do not think the country can prosper at all. Yes, we need to think on it but not at the diktat of others but by having arrangements with others. What is the impact of the liberalisation ? I just give you three answers. You go to any village Mr. Finance Minister including a village in Tamil Nadu or Gujarat. You ask any villager for a glass of water. He will tell you that he cannot offer you a glass of water. He will say that he can offer you a Pepsi or a Coke or a Thumps Up from a nearby shop. There is no drinking water available in that village. That is the impact of liberalisation.

We have ten to twelve motor cars plying including Daewoo all over India. There are ten to twelve motor car companies coming in India in SKD condition or CKD condition. But no such company is assuring the Finance Minister or the Foreign Investment Board that it will invest only on the production of cars but also invest some ten to fifteen per cent on the road-making process in India. Can you give an assurance to this House ? No. Is it a dumping ground ? Is this the same country which fought for its freedom, just to please or provide comfort and amenities for the few ? What is happening ? When I read the Economic Survey, I, as a political worker, shed tears. What do we find when we go to our constituencies ?

We find money has been allotted and the scheme has been sanctioned. But when I go to the village year after year to the same constituency.

[Translation]

People do not have water to drink and a shelter to live.

[English]

Year after year we find some tables. What is wrong with us ? Is it with the implementation ? What is wrong in it ? Who will find the answer ? Nobody is taking any responsibility. We are giving some figures.

You said you have done a great job by providing Rs. 2000 crore to the basic services. It is your Common Minimum Programme. But I term your CMP not as Common Minimum Programme, but as Common Multinational Programme. Is it Common Minimum Programme ? While the fiscal deficit is more than Rs. 60,000 crore, you personally assure the Parliament and the nation that your CMP ensures Rs. 2,000 crore distributed to the whole nation. How much does it come to ? A drop in the ocean. Even if all the registered beggars as per the police station records are invited by special trains by Shri Ram Vilas Paswan to be assembled at Delhi from Jamunapaar to Lal Qila Maidan and this Rs. 2,000 crore is distributed, they will also get a little more. What is the priority given to the basic minimum services ? You are talking of poor people's needs.

Madhu Dandavateji is in the Planning Commission now. I just quote the Planning Approach Document on regulation.. I do not blame Shri Chidambaram. He is not responsible. We must all collectively admit it. We have to rethink very aggressively.

[Shri P.R. Dasmunsi]

SHRI AMAR ROY PRADHAN (Coochbehar) : You are also responsible.

SHRI P.R. DASMUNSI : Yes, I say that. It is a collective responsibility. The document says that the experiment of the Eighth Five Year Plan, in particular the growth pattern, has not benefited the poor and the underprivileged. It is not my comment. The Ninth Plan Approach Document says that the growth pattern has not benefited the poor and the underprivileged. If that is so, what should be the lesson of the Ninth Plan ? For the basic minimum services you give only Rs. 2000 crore. There is an increase for the poverty alleviation and for the rural development programmes by only Rs. 150 crore or Rs. 160 crore than the previous Budget. This is your priority for the poverty alleviation programme. This is how you think you are going to achieve things in the country. This is your emphasis.

With the kind of exemption you have made in the Customs tariff regime, do you feel things will be very steady ? I request the hon. Finance Minister to just make a study coolly, about the Customs tariff that he has reduced, as to which are the established units in India whose technologies are already developed, how many of them will be hit and how many of them will not be hit. If you find that a bulk of them will be hit in selling their products in the market, please reconsider your decision.

15.59 hrs.

[COL. RAO RAM SINGH *in the Chair*)

This country cannot be made a dumping ground of the ASEAN and the Western economic power. Please make a study. Whatever we did, we did. It is on record . . .*(Interruptions)* If You feel so, you drastically change it. We give you the support. Who prevents you ? Nobody has prevented you. You persuade the UF to do it.

SHRI N.K. PREMCHANDRAN (Quilon) : The Customs was once 135 per cent; it came down to 40 per cent.

SHRI P.R. DASMUNSI : Congress might have done something right and something wrong But Congress has done one thing because of which this parliament is still on. The democracy is still alive in this country. We did that. You must agree to this. It is because of Congress that the Parliament is on. It is because of Congress that India is India. It is because of Congress that in spite of differences of opinion you are sitting there. It is because of Congress and not because of anything else. Do not interfere in that kind of politics. Try to understand what you do.

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : My dear friend Shri Priya Ranjan Dasmunshi is entitled to criticise the policies of his own party. How can I stand in his way ? But to say that this Parliament Is on only because of one party, I think, is taking it to an extreme point which I do not think anybody can share.

16.00 hrs.

This Lok Sabha is here because all of us wanted to work together and try to provide a Government. There was a Government. It went out and another Government came in. Now, it is theoretically quite possible that a Government will go out and another Government will come in. But if this Parliament is dissolved for some reason, it cannot be at the will of any Party. If all of us decide that we are ready to go in for elections, we will go in for elections. But please remember that another Parliament will be convened. The people will elect another Parliament. I do not believe that Parliament lives or survives or continues at the will or whim of any one Party. It is for all of us working together . . .*(Interruptions).*

SHRI P.R. DASMUNSI : I think, my dear friend, the hon. Minister of Finance could not understand what I said.

SHRI P. CHIDAMBARAM : I have understood that.

SHRI P.R. DASMUNSI : He should not have taught me in this way. I do not say that he is not a goods advocate. I know, whichever side he pleads, he can plead the case properly. It is not his fault.

What I wanted to place is this. I wanted to place that the Congress could have done many wrongs but it has done one good thing. It did see that the democratic system functioned in the country. That is why the parliamentary system functions today. Am I wrong in saying that ? I never said that Parliament is here because of the Congress.

SHRI P. CHIDAMBARAM : I know what you said.

SHRI P.R. DASMUNSI : I am not a fool, Shri Chidambaram. I also know a little bit of politics. I said, 'Congress could have done many wrongs but it did some good things also.'

SHRI P. CHIDAMBARAM : We heard what you said.

SHRI P.R DASMUNSI : Do not talk too much. We also know that if Parliament is dissolved, the will of the people will decide, not your will or my will . . .*(Interruptions)* I am not yielding to you. I have yielded only to the hon. Minister of Finance, Please try to understand. . .*(Interruptions).*

SHRI ANIL BASU (Arambagh) : Your party has deprived the nation and extended the life of Parliament for one more year . . .*(Interruptions).*

SHRI P.R. DASMUNSI : Unfortunately, in that

Parliament, when those people went to jail, you did not resign. You sat and enjoyed that on year. All of them had gone to jail with Shri Jai Prakash Narayan. Do you want to see the record ?

MR. CHAIRMAN : May I request the hon. Member to stick to the subject at hand ?

SHRI P.R. DASMUNSI : If they want to cite the record, we have also many records to cite. Come on, I am prepared . . .*(Interruptions)* You cited an example and I have cited an example.

SHRI ANIL BASU : You are delivering a very good speech. Please confine yourself to that.

SHRI P.R. DASMUNSI : You forget that the hon. Minister of Home Affairs was on our side.

SHRI ANIL BASU : What is wrong in that ? You should confine yourself to your speech and the merit of your speech.

SHRI P.R. DASMUNSI : Mr. Chairman, Sir, the per capita benefit to the tax paying population is around Rs. 4500 per head. The per capita benefit of the increased allocation for poverty alleviation is around Rs. 40 per head. This makes the present Budget the best Budget of the decade. Should I treat it that way ? The only good thing in the Budget in which I compliment the hon. Minister of Finance is the extension of the tax net. I compliment him on this because it is required to be complemented. He has done this good job and the nation will remember him for this.

I compliment him for another matter also, for which he has done another good thing, that is, the programme of slabbing the tax structure. But for the forty per cent slab, this slabbing programme also a good one. It would give relief only to the section which enjoys all the privileges.

I think, morally, the hon. Prime Minister stands on a very high point. When the hon. Prime Minister sits in that chair and says. 'My Government should not be questioned for any irregularity', I think, he sings a very high moral tune. If that tune is perfect, how could the hon. Minister of Finance dare equate the dishonest people with the honest people ? While the honest taxpayer will pay 30 per cent, the dishonest people with their *hawala* money and hidden wealth will disclose their wealth and also pay tax at 30 per cent. How can we equate both ? It cannot be. The moment you do that, you do not stand by the tune that the hon. Prime Minister sings. Therefore, I feel, Mr. Finance Minister, you have got to change this view. it is not something new. It was started from the days of Shri Mahavir Tyagi and it continued so. I would like to say something in this regard. If this dishonesty is being pardoned simply in the name of disclosure, It would give a bad smell. I congratulate the hon. Minister of Finance and the officers of the FERA Department and the Revenue Department. They are a dedicated lot. They have shown guts to unearth the hidden wealth from the big multinationals and the big monopoly houses of India who looted this nation for the last so many years.

Many people said that the corporate world would collapse. I congratulate the Minister of Finance and the officials of his Department for the guts they have shown in raiding the ITC, for having brought them before the nation and for having shown as to how long they have been looting this country. Irrespective of the party affiliations, they deserve support of the entire Parliament.

At the same time I am shocked to see one thing. While the Shaw Wallace Company was raided, the entire FERA team which waged the war against the Chabaria group, was transferred suddenly from Calcutta. Please check it up. Why were they transferred ? They were doing a good job. If they were not transferred, I would be grateful to you. By raiding Mescos, you have done a goods job. This team of officials deserve the support of Parliament. They face serious challenge when they retire. I know the kind of elements in the society which threaten them. I know they are goons. Therefore, these officials deserve our support. If you continue with this job. Mr, Finance Minister, you would have done a good job as regards the commitment of your Government to the people.

There are some more things which I would like to bring to your notice. I hope you will take them very seriously and do the needful. The inflationary pressure cannot be contained, if the borrowings of the Government remain at the current level of ten per cent of GDP. Generally, Finance Ministers used to indicate the revenue implication of each item. In all the speeches of the earlier Finance Ministers, this is mentioned clearly. They take the Parliament and the nation into confidence and would Indicate the revenue implication of every important proposal, whether it is loss or gain. But this year the Minister has not indicated the revenue implication of a single item. It would have been desirable if the hon. Minister of Finance had indicated the revenue implication of Important items. It is necessary to make it more substantial. I hope the Minister of Finance would take the House into confidence and respond to this in his reply because there is a gap in it.

The next important point is regarding *kisans*. I am sure that I will not get the support of any section of the House. I do not understand the meaning of *kisan*. To me *kisan* is the one who goes in the morning to the field, toils there, produces something and comes back. To me, *kisan* is not the one who does not go to the field but enjoys the harvest. But In the entire North India, there is a lobby, called *kulak*

[Shri P.R. Dasmunsi]

lobby. They do not go to the field, but enjoy the harvest and get the entire benefit of the produce. It is a very serious point. This is the aspect which no Government dared to touch. I only hope that the present Minister of Finance would consult the Prime Minister and deal with it. Following the recommendations of the Chelliah Committee and Chelliah's own observations, will you deal with them ? They are not *kisans*. It is a lobby. They own thousands of acres of land. I wish Prem Chand to born once again. I wish a revolution takes place once again. They just exploit the people and enjoy the entire benefit of the produce. On the one hand they enjoy subsidy and on the other hand they cheat the Tax Department. In the name of exemption they exploit the people who work in the field for years together. I was very keen that the naxalite movement should have shifted from Bengal to this part of India so that they would have taken these people in their own hands. This is going on perpetually.

It is happening day in and day out. Whenever that situation happens, they get united. Everybody knows what is their demand. The so-called cotton lobby, the wheat lobby and the sugar lobby determine half of India's politics now, at the cost of the poorest of the poor. Out of the Rs. 18,000 crore subsidy that they give, benefit worth about Rs. 9,000 crore goes to them directly and not to the poorest of the poor.

So, I would earnestly appeal to the hon. Finance Minister to make an investigation and to tell the hon. Prime Minister to make an earnest effort regarding land reforms, and if possible, to copy the model of Bangal, to begin with. We may have political differences. But I genuinely admit that that has really changed the rural life of Bengal and the people genuinely feel that they have a right in that. They also feel that they can live together and survive. We are living in one India and we are all Indians.

One can go to Eastern or Western U.P. and see how the people are suffering there. From morning to midnight, they work. I asked them as to what they were doing.

[Translation]

They work in fields. Yes, few how many hours ? 14 hours. What do they get ? Rs. 20 If they speak, they will be thrown out.

[English]

This is one category of people. The other category is contract workers who work for seven or ten days.

[Translation]

Who cares far you.

[English]

Even the tractor driver is a wage earner. The tractor owner is a different person. This is the economy ! In this economy, a bulk of our money is going into the hands of a few. But the poor people would come here, stage a *dharna* before the Prime Minister's place whether it is led by Shri Narasimha Rao or by Shri Rajiv Gandhi or by Shri Deve Gowda and shout slogans. We should get something. But when they go back, they would find that it is not percolating down to the people. This is the bottleneck of our hidden economy. The hon. Minister may kindly see that that is removed.

I know it is difficult to take it up. But this is the secret. That is the reason why poverty of North India is still there and that is the reason why the poverty of Bihar is still there. I am not supporting any naxalite movement or a gun battle. But if there is going to be any movement in Bihar in the name of 'getting the land and distributing it to the poor it would be through guns only. I may not support it technically, but my moral support would go to them. I would feel that they are doing the right thing. For years together this exploitation is continuing.

Therefore, Mr. Chairman, I would appeal to the hon. Finance Minister not to take it that I am criticising my own policy. In the beginning, I did say that the collapse of the Soviet Union and the crisis of the developing nations compel many nations including that of India to accept and embrace the so-called liberalisation. But that does not mean that the political belief of socialism and social justice the concept of public sector and the foundation of self reliance as thought of by Nehru are becoming a casualty I am not prepared to believe it. That also does not mean that we shall have to open the floodgates to all the transnationals and multinationals to come and loot our country as they like.

If you feel that our party or our Government, to a certain extent, is a party to it, you say so, and I do not mind. Every political party has to learn from the people and prepare its own agenda in response to the urges of the people.

I would appeal to the hon. Finance Minister not to be sensitive about the criticism, but to understand that we are not confining within the boundaries of cities of Calcutta, Chennai, Mumbai or New Delhi. What we have to understand is, how much money is actually going to the villages, how much is spent and how much is the requirement. There are priority areas. I have no time otherwise, I would have touched that also today.

What is the foreign investment that has come which is mostly of 'portfolio', how much approval is given, what is the real investment and how much has actually gone to the key sectors ? It is very negligible. But we have no responsibility for these things. Should we not do it ? Whatever I say is not a criticism, please understand. This is what I want to submit.

I want to tell you about the kind of duty concessions that they have given. I am sorry to say that. The workers of the Hindustan Copper are crying. Due to the customs duty on copper and steel, in the name of non-ferrous items, the Hindustan Copper is suffering. You may please see what is happening in the Aluminium sector now. Even the inbuilt technology that India has is going to collapse, if they do not prevent the opening of the floodgate.

The famous Professor Rajiv Singh said very correctly that liberalisation in India may not be bad. But if restricted arrangements are not made now, then we may soon go in a Mexican way and collapse very soon. Therefore, I only urge upon the Finance Minister on one point. He is not only young but has also got a good vision. Of course, political arrangements may differ from time to time. But he has a good desire to respond to the urges.

Then at the end of the day, let us quote Gandhiji and nobody else. That is enough and that is the end of the day. We have to ask this question to ourselves. Have we been able to solve the problem of that man who is in tears and who is not properly clothed ? If that answer can be found step by step with a time-bound programme, then I think the Budget will respond to the core. Otherwise, I am sorry to say that the Mid-day Meal Scheme and the Public Distribution System will not help. I am not questioning the Prime Minister's bonafides. Shri Devendra Yadav is seen here. He may help the Prime Minister. Parliament declared that 35 crores of people would be given subsidised food. The statement says like that.

MR. CHAIRMAN : May I request the hon. Member to wind up please ? You have taken half-an-hour.

SHRI P.R. DASMUNSI : I went to my constituency. How can I divide the poor ? They say that your circular says that only 30-33 per cent unit of a local ration area is to be enlisted. I would like to know one point from Shri Yadav. If in a particular ration area in a village or a city, there are 600 poor people below the poverty line who are the poorest of the poor, how can the public representative or the panchayat or others segregate 100 or 500 out of them? Sorry, I cannot help it. It is a mess and a mockery, We cannot manage like that. Let us not say 35 crores. Let us say that it is a step.

[Translation]

It will take time. Don't give figures, you confuses us by giving figures.

[English]

It creates a lot of confusion.

With these words, I say that we have a constitutional and political obligation to support the Budget but we have a strong and critical observation that this Budget does not give any direction to fight poverty, This Budget does not give any direction for the public sector. This Budget does not give any direction to defend the concept of self-reliance. This Budget is further submitting itself to the trap of the multinationals and transnationals.

SHRI P. SHANMUGAM (Vellore) : Mr. Chairman Sir, I rise to support the Budget presented by the hon. Finance Minister on 28th February, 1997. For the first time such a Budget had been presented and more than 80 per cent of the people of our country are in support of this Budget.

Sir, coming to the Budget, I welcome the reduction of slabs in income tax. The hon. Finance Minister had reduced the slabs from 40 per cent to 30 per cent, 30 per cent to 20 per cent and 20 per cent to 15 per cent. My suggestion is that 15 per cent should be further slashed down to five per cent instead of ten per cent. Standard deduction should be raised to Rs. 30,000 from Rs. 20,000. The House Rent Allowance and other allowances given to the employees should be made tax free.

The concession given to the senior citizens is worth appreciation. I would like to request the hon. Finance Minister that the age of senior citizens should be reduced to 60 years instead of 65 years. This will benefit quite a lot of people.

Many eminent people have criticized that this is an anti-poor Budget. I would like to ask them whether any other previous Budgets had ever provided a subsidy to the tune of Rs. 8200 crore for wheat and rice for helping 320 million people who are living below the poverty line. So, those eminent people should understand first the problems faced by these poor people before making any comments on the Budget. In this regard, I would like to say that the United Front Government only wants to help the poorest of the poor and they strongly suggest that the Government's Common Minimum Programme should be used to help the poor.

Our able Minister of Finance has raised the hopes ushering in a new era-a new age of more financial powers to the States. Leader of our Dravida Munnetra Kazhagam and the forth time Chief Minister of Tamil Nadu, Dr. Kalaignar has welcomed the sharing of taxes at the Central pool. This augurs well for the improved Centre-State relations.

At this juncture, I have a suggestion to make. The revenue mechanism of the respective State Government

[Shri P. Shanmugam]

may also be roped in to share the responsibility of collecting the revenue pertaining to Central domain also. I hope the hon. Minister of Finance can consider this. He may introduce it from this year on an experimental basis in any of the States, preferably in Tamil Nadu where there is an able administration and clean Government led by Dr. Kalaignar.

I appreciate the achievements of the United Front Government in regard to sharing of Ganga Water with Bangladesh and also sharing of Gandak water with Nepal. I also appreciate the talks that the United Front Government had with China, particularly, about marine. This clearly shows the foreign policy of the United Front Government.

The subsidy given to the farmers has been appreciated. Of course, the hon. Minister of Finance has allowed 10 per cent increase in fertilisers subsidy by pegging Rs. 9,190 crore for the purpose from the revised estimate of Rs. 7,747 crore in the current year. Even then, it is not sufficient to the farmers. For example, the United States provide subsidy to extent of 27 per cent to their farmers and Japan gives sudsidy to the extent of 70 per cent to farmers who produce paddy. In other European countries, subsidy to the extent of 30 to 40 per cent is provided to the farmers. On the other hand, we give subsidy to the extent to just 10 per cent. It should be increased. The subsidy to the farmers will be helpful to the country and also to the agriculturists.

Unless and until we provide employment to our educated youth, setting up of any number of industries will not help in carrying our country forward.

The hon. Minister of Finance has said that the Budgetary support to the Central Plan is being concentrated on rural development, employment and poverty alleviation programmes and on the human resource development This year, a sum of Rs. 9,096 crore has been provided. So, there is an increase of Rs. 1,271 crore.

The Jawahar Rozgar Yojana is estimated to generate 520 million mandays of employment. If is also mentioned that 90,000 habitations will be provided. Under the accelerated rural water supply scheme, safe drinking water will be provided in 1997-98.

For the social services sector, a sum of Rs. 3,922 crore has been allotted. For urban development, the Finance Minister has allotted Rs. 775 crore. For education, the hon. Minister has allotted Rs. 1,189 crore and for family welfare, Rs. 282 crore have been allotted. For water supply and sanitation, he has allotted Rs. 312 crore.

A sum of Rs. 9 crore was allocated towards irrigation in the last year's Budget. This year, the hon. Finance Minister has increased it by Rs. 4 crore and thus the total amount allocated for irrigation is Rs. 13 crore. The hon. Finance Minister has also increased the allocation for minor irrigation from Rs. 71 crore to Rs. 141 crore. The allocation for flood control has also been increased. He also has proposed modification of the current employment schemes meant to address different target groups. The PMRY, IRDP NRY, DPAP, DDP and TRYSM is proposed to be reoriented. It would be very helpful and also in the national interest.

Sir, as per the statement, 12 lakh people are paying income tax and only 10,000 people are paying income tax to the tune of Rs. 10 lakh. The hon. Finance Minister has introduced the Voluntary Disclosure Scheme for bringing black money for productive purposes. I would like to suggest that the concession given for voluntary disclosure of black money should be more so that more and more people can voluntarily disclose the black money which they are holding. This also would be in the national interest and this money could well be utilised for achieving certain targets.

Sir, the Indira Awas Yojana was launched with a view to constructing houses for the people in the rural areas. But the money lent for this purpose was Rs. 10,000. Now, with the help of the National Housing Bank this loan amount is proposed to be increased to Rs. 2 lakh for the poor farmers at reasonable interest. Disbursement of a loan amount of Rs. 50,000 is going to be started by the hon. Prime Minister from August 15, 1996. It must be appreciated by all that earlier a poor man in the rural area could not even think of constructing a house at Rs. 10,000 but now with Rs. 2 lakh he would be in a position to construct a house in the rural areas.

Modifications have also been suggested in the insurance sector. In this year's Budget a sum of Rs.250 crore has been earmarked for the Kasturba Gandhi *Shiksha* Yojana – a programme under which there is a proposal to establish one school in each district of the country. Such provisions in the Budget was never made earlier. So, the Government is very much interested to start one school in one district. This should be appreciated by all.

Sir, the other point which I would like to mention is about the Sethu Canal which is being built in Tamil Nadu. It would be very much helpful and useful to the Port Trust. It is because the ship is coming from Calcutta to Tuticorin *via* Sri Lanka. So, if the canal is built immediately then only the southern region of Tamil Nadu would get the benefit.

Sir, sports is a very important element in our national life. So, adequate allocation for improvement for sporting activities should be made in the Budget.

Sir, in conclusion, I would like to say that the hon. Finance Minister has presented a very good Budget and has done a wonderful job. But I would like to make a point here that 70 per cent of our people are living in the villages and the aspect of improving the conditions of the villages must be taken into account. In the absence of any help, either from the Central Government or the State Government, there is an inclination on the part of the farmers and the artisans who are residing in the villages to move away to the urban areas. They should not be allowed to move into the urban areas. They should be provided with opportunities so that they could start industries and other such things and remain within the rural limits. Then only our people would be able to get more employment, our thinking would also get rationalised and our nation would march ahead with glory. I extend my support to the Budget.

With these few words, I conclude.

[Translation]

SHRI JAI PRAKASH (Hissar) : Mr. Chairman, Sir, the National Front Government has presented the general budget for 1997-98. Ours is an agricultural country in which 90 percent population depends on it. I feel that a meagre amount has been allocated for agriculture in this budget and farmers have been lured by it I, therefore, rise to oppose this budget. Last year hon. Prime Minister had said that water is an important factor for increasing agricultural production and gave proposal to improve the water management but, in this budget in comparison to last year just a meagre amount of Rs. 400 crore has been increased on this account. Presently water of Indian rivers is flowing to other countries and the receiving countries opposes it. Our Union Government is saying that it is going to improve the irrigation system and water management by increasing just Rs. 400 crore. In our country various states are fighting each other for water. It would have been better and Government's policies considered in favour of farmers if National Water Commission had been constituted to tackle the inter-state water disputes. The matter of S.Y.L. Canal is under consideration with the Supreme court but so far it has not been solved. In place of providing water to people of Punjab and Haryana, our leaders and playing politics on this issue.

So far as the issue of electricity is concerned, the Government proposes to privatise it. Sir, through you, I would like to make a submission that generation of hydro-electricity costs less and on the contrary thermal and gas poased power generation costs more. It would be better if this amount is spent on our natural resources for generating power, so that there is no shortage of power and the farmers have not to pay that much for it. Farmers pay high prices for power and even then the Government claims to give subsidy on it. World Bank and IMF refuse disbursement of loan on this account that the Government provides subsidy on electricity. This budget would have been considered in favour of farmers if the Government spend money for tapping our natural resources for generation of power.

The same is the condition of fertilizer. In this budget, prices of cellular phones and Air-conditioners have been reduced but not the prices of tractors and urea which is used by farmers. The Central Government claims to introduce liberalisation but in the name of liberalisation multinational companies are setting up markets in India. This will affect the agricultural production as well as goods manufactured by our traders customs duty has been reduced but central excise is same as was being levied earlier. Whether it is pesticides, chemicals or any other item, imported goods are Cheaper. This has adversely affected the industrialists of the country.

Mr. Chairman, Sir, You were Minister in the cabinet of Rajiv Gandhi Government. He had made an announcement regarding introducing Panchayati Raj. But what actually happened, there are district councils, Panchayat committees in Haryana but chairman of district councils have not been given their due rights. All the councils and Panchayati raj committees have been scrapped in Bihar. Panchayati raj institutions should be given more rights if Panchayati Raj system is to be implemented. At present, the chairman of district councils get a salary of Rs. 2500 and a car but they are not given any power. They should be equipped with certain powers for their efficient functioning. The hon. Member is pointing out that it is the debate on general budget. I also know that but how the prices of cellular phones and air-conditioner have been reduced ?

Agriculture sector has been ignored in this budget that is why agriculture production has fallen. We have to import wheat at a rate of Rs. 625 per quintal. The farmers would have got prices of wheat as are prevalent in international market if the Government had prepared a package for it in November it self. This would have encouraged farmers to boost their production and we would not have been compelled to import it.

Just now my friend was saying that in comparison to last year a sum of Rs. 161 crore have been given in the present budget. At present our villages lack drinking water facility, sewage and roads. Roads are in very dilapidated condition, if there are roads in some villages. The Government have tried to with the appreciation of people by allocating a meagre amount of Rs. 161 crore for

[Shri Jai Prakash]

development of villages. My district consists of 500 villages and only Rs. 8 lakh have been allocated for it. How many villages could be developed by such a meagre amount. We would have welcome this step and thank the hon. Finance Minister if more funds had been given for it. Although long speeches are made an development of villages and agriculture yet. The budget presented by this Government is contrary to that so far the issue of raising income tax limit is concerned, Sir through you I would like to say that filing of income-tax return has been made essential for people, who own a telephone, car and house in Calcutta, Mumbai and Delhi. Several big capitalists do not pay income tax but, poor people are compelled to file income-tax return. It is not correct. It is my personal opinion that common man will suffer more by it.

Telephone is necessity for common man and not a luxury item these days. Shri George Fernandes has rightly pointed out that in comparison to last year Rs. 370 crore more have been allocated for rural Employment. There are about 15 crore educated unemployed in this country and just a meagre amount of Rs. 370 crore more has been given for it. It is injustice to them This budget has been presented keeping inmind for the coming elections and not for welfare of This country, our villages and youth. This Government is formed with the help of 13-14 parties and its policies are anti-farmers anti-labourers and anti-youth, I, therefore, oppose this budget.

[English]

MR. CHAIRMAN : It was decided in the Business Advisory Committee that two major parties and two minor parties will speak in that order.

SHRI P. CHIDAMBARAM : There is no complaint, sir.

[Translation]

SHRI KASHIRAM RANA (Surat) : Mr. Chairman, Sir, in the beginning the budget presented by the hon. Finance Minister was considered pro-poor and growth oriented budget At the time of budget speech, a say of hop emerged among people because they hoped that this budget is going to give a new direction of development as we are celebrating golden jublee of our independence this year. But implementation of this budget revealed as to how poor people are looted by it. They have tried to supress the small sector of the country. The scheme floated by the hon. Finance Minister for checking generation of black money is not very influential, people of this country have understood that.

Sir, at first I praise the hon. Finance Minister for lowering the maximum slab of income tax to 30 percent in his budget. But I would like to say that his method of controlling the generation of black money is not correct. It may have been helpful in improving the economic condition of this country if hon. Minister of Finance had paid attention towards removing the reasons for generation of black money. Hon. Minister has provided relief of about 2500-2600 crore in customs duty but the main reason for generation of black money is excise duty which is being increasing since long. On the one hand customs duty is being reduced on the other hand excise duty is being increased, neither the country nor the industry is being benefited by it.

Sir, I want to tell you just as a suggestion that tax evasion is resorted to on account of higher excise duty and to check this trend the increasing excise duty, which has become unbearable for the industries should be reduced. Various taxes are being levieo on the textiles made fabrics, man-made fibers Some when beside basic excise duty, additional excise is also being levied. This is how the Government seems inclined to liquidate the entire man made fabrics industries. No attempt has been made to reduce it had the Minister introduced the slab system in assessment of the excise duty of these industries, as he has down in case of his own income tax assessment, and thus reduced the excise duty, we could have ensured our industrial growth to accelerate which we are thriving. But this is not going to happen therefore, on one hand we have stipulated that after levying 30% tax black money can be converted into white money but on the other hand the Minister has not taken any steps to obliterate the prospects of generation of black money at its generation point itself.

I am sure that the amount involved in excise duty evasion would be far more than the black money converted into white money under the VDS introduced by the Finance Minister, that's why I urge the Finance Minister to ensure that the benefit of relief given in custom duty reach the consumers. Whenever we have given tax relief in the budget it did not reach the actual consumers. *The Industrialists* avail the tax relief to the tune of crores and crores of rupees but they don't come in the notice of any Department, not even in the notice of Finance Ministry. That is why I say that the relief should reach down to the consumers. The Finance Minister should try to reduce the unbearable excise duty which leads to generation of black money.

Mr. Chairman, Sir, the another mistake done by the Finance Minister is that he has altogether withdrawn the tax relief which used to be given to small scale industries earlier. Today through out the country thousands and thousands of the owners of the small scale units are in a difficult position because on the one hand foreign goods are being damped here and on the other the Government expects qualitative products at cheap rates. Such manufacturing is not possible in the country. So purchase foreign goods. Due to this trend only our small scale sector could not flourish and compete with them. You should take steps to make the competative, to increase the capacity, to ensure mass production and qualitative products. But instead of this the Finance Minister has withdrawn the tax exemption from them which should be restored to them.

I this tallclaim of the UF Government is shallow that they are pro poors, working people and small industrialists. It is a cruel joke with them

Earlier the turnover of the aluminium conductor units in the small scale sector was to the time of Rs. Three crore and they used to pay only Rs. 2.75 lakhs but now, after withdrawal of the exemption in the current budget they would have to pay Rs. 9.10 lakh on their turnover of Rs. 3 crores. This is how four fold more duty would be levied from them. Now you yourself can see the difference between Rs. 2.75 lakh and Rs. 9.10 lakh. Now tell me in this condition where shall the small industrialists shall go?

On the other hand the big units would have to pay relatively lesser tax. The budget introduced by the Finance Minister aims at viping out the small scale units through out the country in a well planned manner. It is sans any such provisions as may help in advancement of small units or in boosting of production. As I have already told you very high duty is being levied on man made fabrics. Now it is March but yet the have not succeeded in achieving the target. Now a day all the excise Inspectors and Income Tax Officers are very active throughout the country but still I am apprehensive about fulfilment of the target.

I want to draw attention of the Finance Minister towards the textile industry of the country. Our textile machines are as goods as any other textile machinery in any other country in the world. I have personally seen the working to textile industries in Surat and Mumbai. Hon. Minister has provided the concessional duty of 10 per cent. It reads:

[English]

> 'I have decided to allow them to import the components and parts of this machinery at the concessional duty of 10 per cent.

[Translation]

Our textile industries are producing very good cloths. If we resort to imports, then our textile machinery industry will perish. That is why I said that this budget contain such provisions as would undermine the small scale industries. The U.F. Government says that they are pro poors and working class but the provisions made by this Government with regard to social service, transportation and rural development show that this Government attaching more priority to the imports of luxurious items. Thy are not interested in the development of villages, small farmers and transportation system. A provision of Rs. 7520 crore was made for rural development in 1996-97. Whereas in 1997-98 a provision of only Rs. 7691 crore was made for it. Today while the inflation rate is increasing and the value of Rupees is going down, provision for this head has not been actually increased. The Finance Minister has not made adequate allocation for rural development. Two years ago less provision was made for it in the budget in 1996-97 the revised estimate of Social Service was Rs. 10041 crores. In 1997-98 it is Rs. 13817 crores. Similarly revised estimate for transport was of the time of Rs. 1384 crores. For the current year it is Rs. 15-16 thousand crores. So in adequate is the allocation under the had social service that we can't provide even primary services with this allocation.

Just now Jai Prakashji said that we are reverting back and therefore we should change our priorities. This Government says that those who is having an income of Rs. 75,000 he is not required to pay income tax. You have determined 30 percent as maximum for extending the income tax limit and to reduce tax evasion.

Similarly we had demanded that for the purpose of income tax. Income tax limit should be raised to Rupees on lakh in the case of Government employees but the Finance Minister did to accept that. The Government terms this budget on 'Pro poor' but had it been actually pro poors, then a revenue to the time of Rs. 367 crores would have not been mobilised by increasing the rates of post cards and envelops. The poor labourers use Post cards, envelops and money order forms. I don't think that by burdening the poor and the working people with Rs. 367 crore through the budget, you have given any relief to them. This increase in rates is unjustified and thus this should be withdrawn.

Mr. Chairman, Sir, I will conclude my speech after making my last point, well our country has been doing imports and exports as well. Government endeavours to make imports and exports on large scale. Through we export goods of better quality even that the importing countries impose anti-dumping duty on them. The plastic goods exported from here are subjected to 7.5 percent 'anti-dumping duty.

What ever items are being imported in this country, they are reducing duty on those items. I would like to urge the Finance Minister that there are certain industries in our country which need encouragement and instead of providing incentives to them they have created 'open door' situation. Our hon. Finance Minister on his foreign visit has said, "I am here to invite you to my country." So, they should make sure that such a situation is not created which

[Shri Kashiram Rana]

was prevailent prior to Independence. Because they are not concerned to develop our industry and to improve the condition of poor of this country. What I feels is that they have made a provision to union the economy of this country by bringing in foreign foods here. I hope that the hon. Finance Minister would look into the situation prevailent in the country and try to find a way or make some announcement by which small sector industry of this country can be saved and poor can be benefitted.

Mr. Chairman Sir, I would neither call this Budget Pro-Poor nor growth oriented. In my opinion it is a Pro-capitalistic Budget and I oppose it.

VAIDYA DAU DAYAL JOSHI (Kota) : Mr. Chairman, Sir. The hon. Minister of Finance is to reply at 5.00 today on the discussion held on the general Budget. It was decided earlier. We want to know, when the Finance Minister is going to give his reply.

SHRI SONTOSH MOHAN DEV (Silchar) : Not today, the Minister of Finance is going to give his reply tomorrow.

VAIDYA DAU DAYAL JOSHI : In that case. No bill can be passed today and two bills namely The Reserve Bank of India (Amendment) Bill and Second Electricity law (Amendment) Bill are to be brought before the House.

[English]

SHRI SONTOSH MOHAN DEV : I do not know far certain; but one will go to the Select Committee. The Chairman may call Shri Srikanta Jena.

MR. CHAIRMAN : I have called Shrimati Meira Kumar.

17.00 hrs.

[English]

SHRIMATI MEIRA KUMAR (Karol Bagh – Delhi) : Shri P. Chidambaram is not here. I wish he were here because I meant to pay him a compliment. Shri Chidambaram is in an unenviable position of being the Minister of Finance of a coalition Government. It is called the 'rainbow coalition'. But instead of having seven colours it has 14 shades! And it was certainly not an easy task to hormonise all those different shades of opinion and produce a Budget. He has done a good job and I wanted to compliment him.

Near seven per cent of growth rate, containment of fiscal deficit, widening of the tax base, expected revenue buoyancy, foreign investment, these are some of the most positive aspects of the Budget. Lowering of the personal income-tax, of the corporate tax, of the MAT, removal of corporate surcharge, of the tax on dividend on personal income have delighted the corporate sector, the salaried class and the foreign investors. The affluent, the rich, the upper middle class, even the middle class have gained from this Budget. That is why I want to congratulate the Minister of Finance.

All those who have benefited from his Budget are those who come from the articulated sections of the society, who are the opinion makers. Therefore, there is an unqualified acclaim for this Budget all over and in the electronic and the print media.

But that is not the end of the story. I want to know what is the opinion about this Budget, or what is the opinion of all those who suffered in silence ? What is the opinion of those who live below the poverty line ? What is the opinion of those disinherited ones, the impoverished ones, the poor, the have-nots, the underdogs ? What is the opinion of those people about the Budget ?

I am not criticising for the sake of criticising. I want to draw the attention of this august House to some serious shortfalls in the Budget which are a cause of great concern and anguish because I believe that no Budget can be worth even the paper on which it is printed if it does not pass the litmus test of bring pro-poor and pro-under privileged.

The poor in our country, those who live below the poverty line, are sustained on or should I say subsist on, on the one hand, the theory of trickle down effect of higher growth and, on the other hand, the promise of more expenditure in the social sector. We are all aware, we have all the experience, we see it with naked eye, and we do not have to be economists to find out that trickle down effect is more an illusion than a reality. However, till the trickle down effect shows some result, in the interim period the disadvantaged people have to be given support in the form of employment programme and more spending in the social sector. The Minister of Finance is not here. I wanted to point it out to him if he was here, because what I am going to say is a very serious matter. It is ironical that the United Front Government is overseeing a decline in the social sector spending in real terms. The Minister of Finance expressed satisfaction over considerable savings in the Plan expenditure of the Union Budget. But he forgot to mention the cut backs in three crucial areas of welfare account for almost half of those savings.

In the Mid-Day-Meal Scheme, which not only provides nutrition to poor children but also encourages them to attend school, there is a cut back of 40 per cent and the actual expenditure is less by Rs. 600 crore. It is ironical. In the Rural Development and Employment Programme, the actual expenditure is less by Rs. 460 crore. In the National Social Assistance Programme, the actual expenditure is less by Rs. 380 crore. The present Budget promises to increase a little Rs. 1,200 crore in the social sector. But as I have just pointed out, last year the cut backs in three crucial sectors of social welfare amount to Rs. 1,440 crore. The hon. Minister had cut down Rs. 1,440 crore last year in social sector and he promises to increase a little less than Rs. 1,200 this year. I want to draw the attention of the august House to this very serious paradox. It is a very callous attitude. It is a sheer neglect and carelessness so far as the poor of this country are concerned. This is just an example.

A majority of the poor, of those who live below poverty line, are Scheduled Castes and Scheduled Tribes. It is a very unfortunate state of affairs. In all other countries, in all other societies, in all other economics, there are only two divisions. There are the rich or the haves and there are the poor or the have-nots. But in our society, apart from having rich and the poor, we also have the caste system and we have a very large section of our society reeling not only under economic exploitation but also under social exploitation. Majority of those who live below poverty line, are SC/STs. As it is, the Finance Minister has provided next to nothing for the poor and for the SC/STs. has provided a minuscule proportion out of that. There is Rs. 96 crore provided for the National Scheduled Castes and Scheduled Tribes Finance and Development Corporation. There is Rs. 326.26 crore provided for SC/STs in the Special Component Plan. It is a pittance.

General impression going around is that they have the reservation policy which will solve all the woos of the SC/STs, which will take care of all their development programmes. But the ground reality is that not more than two per cent of the SC/STs even today are in a position to take the benefit of their reservation policy. They all live in grinding poverty, incapacitating humiliation and in human discrimination, both in rural areas and in urban slums. Now, is it enough to say that they should benefit from reservation and we are not going to do much for them except just providing a pittance of about Rs. 400 crore ? We are on the threshold of entering a new century. We have completed fifty years of our Independence. Even today I dread to open the newspaper in the morning lest I should come across a news about atrocities on SC/STs in any part of our country. This is the reality. These are the people who till today are engaged in unclean profession, they are petty artisans. They are daily wagers, they are wage slaves. And I am surprised that our Government which is committed to growth with social justice, has not provided any scheme specifically targeted towards this group.

Most of these people living in the rural areas are agricultural labourers. They are landless tillers. We talk no end about improvement in the agricultural sector. We talk of improving the seeds, we talk of providing assured irrigation and we talk of improving the quality of land.

17.15 hrs.

[MR. DEPUTY-SPEAKER *in the Chair*]

We also talk of providing more and better fertilisers and subsidy on fertilisers. We talk of improving the technology. But we never really pay any attention to the man behind it all. He suffers from gross neglect. He is the backbone of our agricultural sector. We live in an agrarian economy. So, the agricultural labourer or the landless tiller is the backbone of our economy. If we want to improve our agricultural production, if we want to repeat the Green Revolution, we have to pay attention to, we have to improve the condition of the real man or farmer who tills the land. I do not even want to call him agricultural labourer. I want to call him landless farmer. We should provide him land which is not a waste land or a barren land as is the practice while distributing surplus land to our landless agricultural labourers. We should give cultivable land to the actual tiller and a respectable level of minimum wages. This is the dream which has eluded the agricultural labourer and the bonded labourer in our villages. I want to request the Finance Minister to convert this dream into a reality.

There is often an argument given and I hear it from all quarters that giving small holdings to these landless people will not be viable. I do not know who these economists are. They may have studied in Oxford. They may have studied in Cambridge. The may have studied elsewhere abroad. But they are not aware of the realities of rural caste-ridden India. Had they been aware, they would have known what it means and how it enhances the status of a person living in the villages to have land. So I again urge upon the Finance Minister to come out with a scheme for distribution of land for economic empowerment of these people.

There is another argument which is very often advanced which says that the poverty alleviation programmes, the schemes meant for the Scheduled Castes and the Scheduled Tribes suffer from leakages, from pilferages, from spillages, from inefficient implementation and, therefore, there is no point in sinking more money into these schemes. But, if the implementation machinery is faulty, the need of the hour is that it should be totally overhauled. But it is criminal to cut down on the poor, the Scheduled Castes and the Scheduled Tribes.

It Is with great anguish and pain that I have to draw the attention of this august House to a very serious aspect which is missing from the Budget. India has the dubious distinction of having the largest child labour force in the world.

I am ashamed to say that, it is a disgrace that we sustain our economy on the shoulders of little children. You

[Shrimati Meira Kumar]

might have read Dickens and Blake. How Little chimney sweepers used to endanger their lives. That system was abolished in Eighteenth Century that England system was abolished. We are still continuing to exploit our children. We employ them in agricultural sector, industrial sector, organised sector, unorganised sector and hazardous sector. We abuse them. Here, everyone of us is worried about creating more employment opportunities, but instead of employing our adults, we employ our children and the adults sit idle. It is such an irony and paradox. India as a nation has a commitment in the United Nations to abolish child labour and the United Frond Government has a commitment to the nation to abolish child labour. But there is no mention in the Budget of any scheme to fulfil this commitment.

There is one more worry that I have. I have read in the UNICEF report of 1996-97 that in U.K. and U.S.A., children of immigrants settled there are being employed as child labourers. The multinationals are looking for areas where they can find cheap labour and weak unions. What can be more cheap than child labour ? And, they have no unions. So, I put a word of caution. I am not against inviting the multinationals, if it is going to strengthen our economy. If it is going to take our economy ahead and create a great nation out of India, please have them here by all means. Please also ensure that they are not going to use the labour of our children. So, before they come here in big way, please abolish the child labour.

Last but not the least, I will come to Delhi now because I represent Delhi. Although I must thank the Finance Minister that he has increased the central assistance to all the Union Territories and States, I would say that the Central assistance provided to Delhi remains more or less the same. I do not know why and what is the logic behind it. Only Rs. 265 crore are provided to Delhi. It is a pittance. You are aware the population influx to Delhi is alarmingly high. Apart from that, the infrastructure and civic amenities are falling apart. Pollution has reached a fatal level. There is no effective scheme for housing the poor and for providing employment to them. The food prices are skyrocketing, spelling a virtual collapse of the PDS in Delhi. To add to the agony of the Delhites, recently DESU has increased the power tariff. How are we going to manage with this pittance in Delhi ? So, I would urge upon the Finance Minister to take Delhi seriously. After all, it is our Capital. It is a part of our history it is a part of our mythology and it is a part of our national movement. It was the scene of the transfer of power. It is our nerve centre. It is here that we shape the destiny of the nation. It is our pride, So, I would expect more an sufficient funds for the development of Delhi.

Sir, in the end, I would say that this Budget is a departure, an obvious departure from the United Front Government's commitment to growth with social justice. No doubt, there is exuberance and euphoria about the growth rate, about containing the fiscal deficit, about widening the tax net, about the expected revenue buoyancy, about foreign investment, about carrying forward of the liberalisation process and about the economic reforms. But all this is not an overnight development. Six years ago, when our economy was on the brink of a disaster, it was the Congress Government's Budget which brought it back on the tract and subsequently, year after year, it was the reform led Budget of the Congress Government – cutting out the controls, opening new vistas of growth, removing the anomalies – which has paved the way for this present Budget. But I am anguished because – despite being on a stronger footing, on a much stronger footing than the Congress ever was for the last five years – the Finance Minister has concentrated only on the thin upper strata and growth and growth alone, shopping short of social justice.

Sir, I thank you very much for giving me the time.

[Translation]

SHRI RAMENDRA KUMAR (Begusarai) : Mr. Deputy Speaker, Sir, this is a balance and progressive budget. It is good more allocations have been made for basic services like drinking water, education, irrigation etc. It is also a welcome point that one ceiling of gratuity has been increased from Rs. 1 lakh to Rs. 2.5 lakh. I would request the Government that necessary amendments should be made in the Payment of Gratuity Act. Similarly two percent increase have been made in P.F. contribution. It is good. As regards Income Tax, the ceiling has been fixed for wage earners at Rs. 75,000. There was a long standing demand in this regard.

Ten kg. of foodgrains are to be supplied through FPS at half the rates. This step is being welcomed. Similarly all the sections of the society are welcoming this budget. From worker to it Harshad Mehta all are welcoming it . . .*(Interruptions)* You are also doing. The same thing. In fact concessions have been made in the taxes in the budget, to the rich people. But I ask the Finance Minister why he has taxed on umbrella. Poor people use it in raning and not whether. Please with draw it. The prices of post card and envelops have been increased. Kindly reconsider it. In fact Finance Minister is of the view that confidence of investors can be gained if concession in taxes are given. Business and industrial activities will be boosted and overall growth will be more than seven percent. That is way by allowing huge tax concessions, F.M hoped that people will come forward to pay their taxes voluntarily. But the Finance Minister was imposed some rate of tax on the honest tax-payers and the black money holders. He should have made some . . .*(Interruptions)*. You want that the number of dishonest is more, whereas we want that the number of honest is more. Therefore Finance Minister has satisfy both. Under VDIS and Income Tax limit, in both the cases the upper limit for tax is 30%. There should have been some difference.

[English]

MR. DEPUTY SPEAKER : Shri Ramendra Kumar, please address the chair.

[Translation]

SHRI RAMENDRA KUMAR : Our domestic industry sector has been made open for the multinational companies, without imposing any restrictions regarding sale etc. I want to know whether our domestic industry will be able to compete them, because we are allowing tax concession to them. We should also stick to our self-reliance policy. We should also ensure that our country should become self reliant. We should not allow other countries to cure our indigenous industry. Import duty exemption has been given in the 80 items. It is a matter to consider that in which item we should allow concession in import duty.

In the ninth plan, it has been mentioned that priority should be given to the agricultural and rural development so that more employment can be generated & poverty can be removed. There should be more production in Agriculture sector. Until production is increased, the rates will not come down. The target from agriculture was fixed at 4.5 percent in ninth Plan. Can we achieve this target? I think we cannot achieve this target. Therefore I urge upon the Govt. to allocate more fund for this sector.

We cannot benefit the farmers from crop insurance schemes. There are many draw backs therein. Therefore I request the Govt. to formulate a comprehensive crop insurance scheme, so that medium and small farmers can be benefited. Nothing has been said about it in the budget. There is also no mention about setting up of Krishi Vigyan Kendras. Therefore I request that funds should be allocated in the budget in this regard. Therefore I urge upon the Govt. to allocate funds for the setting up of Krishi Vigyan Kendras.

Cash money should be provided to the farmers. So long as the condition of small and marginal farmer are not improved, neither our production would increase nor rural development can take place.

I also want to draw the attention of Govt. towards fertilizer situation. we used fertilizer. Every we import fertilizers from abroad. Last year 34-35 lakh tonne fertilizer was imported. About 2-3 crore of foreign exchange was spent thereon. We are also providing subsidy to fertilizers. This year we are going to provide subsidy to the tune of 8,359 crore Rupees. Our fertilizer plants, like Hindustan Fertilizers and Fertilizers Corporation of India are going to be closed. Two fertilizer plants in Bihar are sick units. We have our own fertilizer plant and we need their production, why we need to import fertilizer ? We should revive our own sick fertilizer plants. There is revival package for Rs. 800 crore for HFC Govt. should provide this money for this plant. A Japanese Bank is ready to provide loan for Baruani plant, but Govt. of India is not ready to provide guarantee in this regard and without guarantee this bank is not ready to sanction loan.

Theft of electricity frok place in our country. I would like to say that if we are able to check even 50 percent of thefts of electricity, and increase the plant load factor by one percent, we would be able to earn about Rs. 2000 crore more and that amount can be utilised for generation of electricity and other development purposes . . .*(Interruptions)*.

SHRI BRAHAMANAND MANDAL (Monghyr) : You people are indulged in theft of power . . .*(Interruptions)*.

SHRI RAMENDRA KUMAR : I do not want to go into this controversy. I do not want to debate with you, because you have already change your party. I want to say that theft of Power should be checked ever for 50 percent. In Bihar Plant Load Factor is less than 20, whereas National average it is more than 50. We are shouting for Power in Bihar. I therefore urge upon the Govt. to take some steps in this regard. We do not need to spend any money, but can save upto 2,000 crore of rupees, which can be spent in Power sector . . .*(Interruptions)*.

Sir, there is acute shortage of electricity in Bihar. But the Hon'ble Minister has made an announcement during his speech in Bihar that the farmers would be provided electricity free of cost. But it will be possible only if you remain in power, . . .*(Interruptions)* About the Government undertakings, I would like to say that I have reservations about the Disinvestment Commission set up by the Government. I am not in its favour. I would also like to ask as to what the Government is going to do with the money it would be receiving. Whether the Government intends to spend this money in order to revive those public sector mills which are sick or facing closure ? The Government should be spending some of the money for that purpose. I am not asking for the revival of all the public sector mills however there is a need to take into consideration the revival of such public sector mills which are serving a useful purpose, which are job-oriented and whose functioning is important from social and economic point of view and is in the interest of the nation.

[Shri Ramendra Kumar]

Sir, as the Minister of coal is here, I am deliberately raising this issue. Coal is a basic source of energy in our country . . .*(Interruptions)* It is not available in abundance in Bihar . . .*(Interruptions)* Orissa and Madhya Pradesh are far ahead of Bihar in the field. My submission is that we are thinking about importing coal however earlier there was royalty on coal which means that 110 percent import duty was being imposed on coal which has now been reduced to 10 percent. Whichever Government came into power, it kept on reducing the import duty on coal. We are going to import 20 million tonne coal. The productivity point in our country is 5 percent which means that we are going to lose our coal by importing 40 million tonnes of coal. What would happen to our produce of coal ? The Coal produced in our country stands nowhere in comparison with the coal produced by foreign countries in the open market. Thus we are heading towards closure of coal industry. Hence I would like to say to the Government that the report of Chari Committee has been submitted only recently to the Government and I am not aware as to whether the Government has accepted its recommendation or not. But they have made a recommendation that the coal India should be closed down. This is the recommendation made by Chari Committee. Hon'ble Minister is smiling. It seems that some action has been taken on it. I feel that if coal India is closed down, its subsidiaries especially in Bihar viz. B.C.C.L, C.C.L. and E.C.L. which is a Bengal Company and which are incurring lones would also not be provided budgetary support or funds and consequently these companies will also close down. In order to develop and strengthen Coal India, I would like to suggest to the Government that they should merge the subsidiaries with coal India to form one single company.

Then Coal India would be the single company. As you know that such a situation had arisen in the steel Industry and all the companies were merged to form a single Steel company and rest of the companies were made its division. Similarly B.C.C.L, C.C.L or E.C.L. should be given the status of division which should function under Managing Directors and the Board should be scrapped. If you do this, the coal India would be revived.

My submission is that on one hand the Government is claiming that it is giving autonomy to public sector and on the other hand, Hindujas are setting up a washery in this country. What is happening in this case. As it requires coal, this coal would be sent to Hinduja washery by Railway wagons from the colliery. The coal India is being pressurised to give its approval. The Minister of coal is present here. Thus the coal would be taken to Hinduja washery by Railway wagons. The Coal India would pay to Hinduja according to the weight borne. This facility has not been given to any Electricity Board so far and this sight has not been given to any state. This facility has not been provided to any public sector company either. I would like to ask the Minister of coal. . .*(Interruptions)* Why are you being so kind to Hindujas . . .*(Interruptions)* I would like to say that a detailed discussion should be held in this regard and you should cancel the new agreement which you are going to sign with the Hindujas. . .*(Interruptions)*.

MR. DEPUTY SPEAKER : You had only 10 minutes to speak but you have already taken 25 minutes. Please conclude now.

SHRI RAMENDRA KUMAR : There is a need to formulate a central law for the form labourers.

Secondly I would like to state that many people of my village are suffering from diseases of kidney and heart. The situation is that even those who are in a better position from economic point of view are unable to get heart or kidney operated upon in Patna or Delhi as the treatment has become very costly. When we write to the Minister of Health or the Prime Minister we get an aid of 25 thousand or 30 thousand which is very meagre. Hence I would like to make a suggestion to the Government to formulate a scheme to provide medical facility to the poor and the common man so as to provide relief to all. Today the poor one dying due to absence of medicines and money. They are unable to meet the cost of treatment.

About Bihar I would like to say that per capita income in Bihar is on the decline, whereas per capita income in Uttar Pradesh is stable. I would like to say . . .*(Interruptions)*. that we are discussing the issue of development. Rally is also its integral part. I want that a special scheme be formulated for Bihar and development of our state should be undertaken. I would also like to request the Minister of Finance that he should not allow the rich - poor divide to widers.

[English]

MR. DEPUTY SPEAKER : The next speaker is Shri Neil Aloysius O'Brien. Please listen to him patiently. It is his maiden speech.

SHRI NEIL ALOYSIUS O'BRIEN (Nominated Anglo-Indian) : Mr. Deputy-Speaker, Sir, I think you for giving me this opportunity to address this august House for the first time. I am also very grateful to you and the hon. colleagues for allowing me to come to the front benches. There is a saying in the Bible that "They who are last shall be first".

I would like to confine my remarks this afternoon to a very broad survey of the Budget from an economical point of view. In the run up to the Budget, a few days before its presentation, there were many apprehensions as to what was in store for us. There were many Jeremiahs who made the most gloomy predictions. We have now seen with the presentation of the Budget that the apprehensions have turned out to be misapprehensions.

At the outset, I must compliment the Finance Minister of presenting a Budget that includes a number of measures for invigorating the sagging capital market such as the abolition of surcharge on companies, reduction in corporate tax, abolition of dividend tax and allowing buy backs on equities. The stock market responded euphorically to these measures as indicated by the immediate upward movement of the index of share values to eventually plateau out at a reasonable level. In the Chinese calendar this is the year of the Ox. We hope in the shares and business market it could be the year of the Bull. We hope it will be a year of new issues and encouragement of expansion, modernisation and construction schemes of companies.

The cuts in customs and excise duties on several commodities will be helpful in reducing cost price and boosting demand. I would take just one important example – slash on duties on both systems and application software. This will curb illegal import of software, E-Mail or Internet. By doing this he has not just encouraged competition among indigenous producers, the Finance Minister has done something very special. He has recognised software as an intellectual property.

Other measures proposed under the Budget are also commendable. Notable among them are the partial insurance reform covering pensions and health services. Although ushering in foreign companies in the domain of insurance was turned down by Parliament, the Finance Minister has rightly urged the LIC and GIC to go out for joint ventures. Overseas Indians can invest in health insurance companies and utilise their technical knowhow. Other progressive proposals are the imposition of tax on vehicles costing more than Rs. 5 lakh, taking production capacity rather than declared output as the basis of excise duty and setting up of a committee to study the convertibility of the rupee on capital account.

What I find specially paiseworthy is the underlying commitment of the hon. Minister of Finance to social welfare despite the fact that he is a votary of economic liberalisation. A reflection of this is the increase in allotments for subsidies on fertilizers – both indigenous and imported – as well as food, as in the previous Budget. At the same time, we must not forget that the amount of subsidy in agricultural sector, which is indispensable, is well below ten per cent of the value of the total agricultural output, a limit prescribed under the 1994 GATT accord.

Arguably, the most acclaimed of the reduction of tax rates in the Budget has – the lowering of income tax slabs and the increase in the standard deduction – come as a boon to salaried persons, who, year after year, have looked forward to some relief on this score, but alas only got crumbs from the table. I have been a salary earner all thirty-seven years of my working life and I was always aghast at the tremendous discrepancy between what my salary was and what I took home. I am sure many of us have had the same experience including the added difficulty of trying to explain this to one's wife. At the same time, we must not forget that this has come as a boon to us.

There are some criticisms on these cuts and let me just deal with those criticisms. Critics of these cuts point out that historically tax cuts have not boosted revenues through greater compliance. They cite the policy of tax cuts tried over a decade ago, which did not ensure a buoyancy in income tax revenues and had to be reversed. Yet, I feel quite strongly that many more Budgets of the short presented today are needed to break away from traditional mindsets and to take bold steps. The hon. Minister of Finance has shown that there is no connection between high tax rates and helping the poor.

Over a decade ago, or, twelve to fifteen years ago the maximum income rate went up to 97.75 per cent. Yet, poverty did not come down. However, we must also be careful. Even though the hon. Minister of Finance has displayed courage and foresight in several spheres of fiscal policy, he has not ventured to bring the rural rich of the country within the tax net, a measure long overdue economically. Thus, a cess on big farmers to pay for an agricultural workers' insurance fund has been shelved, I trust only temporarily.

India should aspire not only to reach South-East Asian levels of taxation. But we also need to raise levels of education, health care and land reform as those countries have done. In India, there is no dearth of resources. The tax to GDP ratio is put at 10.5 per cent, which is far below the average twenty to forty per cent in many developed and developing countries.

Now, let us come to the much ventilated concern about the inflationary potential of the huge deficit envisaged in the Budget. It is an underlying supply side economic philosophy that if growth materialises, it would directly curb inflationary pressures. This is not fully tenable inasmuch as a major inflation in the shot-term may itself vitiate the growth process. There is no resolve in the Budget about slashing genuinely unproductive public spendings. The promise of doing away with the *ad hoc* Treasury Bills with the RBI for financing budget deficits does not necessarily imply a cessation of inflation, particularly, as there is an allusion in the Budget to accommodate, and I quote, 'temporary mismatches in Government's expenditure and revenues on an undisclosed basis.' I also think – and it

[Shri Ramendra Kumar]

is my personal belief – that the conventional method of expressing deficit as a proportion of GDP is somewhat nebulous insofar as the GDP itself is a great imponderable.

18.00 hrs.

The amnesty scheme for persons with ill-gotten wealth is questionable, both ethically and practically. Will those, with massive black money, really volunteer to come forward in the absence of severe punitive action for failure to do so ? There is a warning that it would be the last tempting offer. There have been many 'last offers'. But as a host of committees have pointed out, it is an exercise in futility and earlier attempts have largely been observed more in the breach than in the keeping. There is no denying the supreme need for tightening of tax administration in India. But are such short-cuts which may end in a *cul-de-sac* the best solutions ?

Sir, even if like the scorpion I have kept the sting in the tail of my speech, I would conclude by complimenting the Minister of Finance once again for his challenging fiscal exercise and by supporting this Budget which is revolutionary in many ways.

[Translation]

SHRIMATI JAYAWANTI NAVINCHANDRA MEHTA (Mumbai – South) : Mr. Deputy Speaker, Sir, My name was to be called.

MR. DEPUTY SPEAKER : Names of BJP Members have been written but your party has taken more than the allotted time.

SHRIMATI JAYAWANTI NAVINCHANDRA MEHTA : was to be called after him.

MR. DEPUTY SPEAKER : The BJP and Congress have taken more than the allotted time. However, there are some groups which could not get even one Minute and it is necessary to given them a chance.

SHRIMATI JAYAWANTI NAVINCHANDRA MEHTA : I have given my name. This is not fair.

MR. DEPUTY SPEAKER : Please sit down. I will look into it later on.

SHRIMATI JAYAWANTI NAVINCHANDRA MEHTA : It is my turn now. How can you call him.

MR. DEPUTY SPEAKER : You can get a chance when there is time. The BJP and Congress have taken more than the allotted time.

[English]

SHRI NIRMAL KANTI CHATTERJEE (Dumdum) : How can you avoid that ? It was said that for certain parties only one minute has been allotted. How can anyone confine his speech to one minute on the General Budget ? Yesterday, I was also restricted because I have consumed more time than what was allotted. Apart from the fact that this is going to be a mid-night drama, we must provide enough time. I think this kind of restriction should not be there.

[Translation]

SHRIMATI JAYAWANTI NAVINCHANDRA MEHTA : You can extend time but, presently allow me to speak since it is my turn ... *(Interruptions)*

MR. DEPUTY SPEAKER : You and the hon. lady Member are saying same thing.

(Interruptions)

MR. DEPUTY SPEAKER : We are sitting upto 10 in the night. I will call you later on.

SHRIMATI JAYAWANTI NAVINCHANDRA MEHTA : Mr. Deputy Speaker, Sir, everyday is sitting upto 10. But, you are excluding me and calling the next Member. I was told earlier that I will get a chance after him.

MR. DEPUTY SPEAKER : You are obsolutely right but, after going through the time schedule I have found that your party has consumed the allotted time.

(Interruptions)

SHRIMATI JAYAWANTI NAVINCHANDRA MEHTA Mr. Deputy Speaker, Sir, It is my turn now and allow me to speak.

MR. DEPUTY SPEAKER : Time allotted to your party has been consumed. I will first call names of those parties who have not got a chance to speak.

SHRIMATI JAYAWANTI NAVINCHANDRA MEHTA : Mr. Deputy Speaker, Sir. You have called her to speak. Allow me after her.

MR. DEPUTY SPEAKER : I will see to it.

SHRIMATI JAYAWANTI NAVINCHANDRA MEHTA : How can you call her when it is my turn.

MR. DEPUTY SPEAKER : Let him speak now.

SHRIMATI JAYAWANTI NAVINCHANDRA MEHTA : Allow me to speak after him. I should get a chance after him.

MR. DEPUTY SPEAKER : That is far me to decide. Please sit down.

(Interruptions)

[English]

MR. DEPUTY SPEAKER : Let him speak now.

SHRI N.K. PREMCHANDRAN (Quilon) : Sir, I rise to support the Budget presented by the hon. Minister of Finance for the year 1997-98 with certain reservations. This is the second Budget which has been presented by and on behalf of the United Front Government by the hon. Minister of Finance in this august House. When we analyses a Budget, the most important aspect we should first see is that whether it is pro-rich or pro-poor.

The *Magna Carta* or the Bible or the Quran or the Geeta of the United Front Government is considered to be the Common Minimum Programme which is an issue based programme. The Common Minimum Programme has been drafted and is being implemented for the upliftment of the poor people, the common or the ordinary people of the society.

First of all, I would like to analyse the Budget as to whether it has rendered justice with regard to the Common Minimum Programme. The Union Budget of this year has given rise to so many apprehensions; and doubts are still there to the effect that it is favouring the rich class of society, it is fovouring the 'haves' of the society and it has ignored, in some way, the poor, the common or the ordinary people of this country. I would like to give examples.

Firstly, to say about the corporate sector, what are the benefits which are available to the corporate sector ? Several tax exemptions, concessions and benefits are given to the corporate sector, the multinational companies and the rich class of people. The rate of surcharge on corporate sector has been reduced from 15 per cent to 7.5 per cent last year; and it has been abolished, unexpectedly. Secondly, the tax rate applicable to the domestic and foreign companies has been reduced to 35 per cent and 48 per cent respectively. Thirdly, the tax rate on royalty and technical services payable by the foreign companies has been reduced from 30 per cent to 20 per cent. In the case of MAT also, some benefits have been given to them. Coming to tax on dividend, the share market people have been exempted from payment of tax. The common people are forced to pay income tax, but the persons who are playing in the share markets have been exempted from income tax. Tax on dividend is a highly crucial one. This is favouring the rich and the corporate classes.

The rate of corporate tax has been reduced from 40 per cent to 35 per cent. Due to this, the net result is that the tax liability of the corporate sector Is brought down by eight per cent, that is, eight per cent tax exemption has been given to the corporate sector. I do agree that for getting more investment, It Is necessary. It may be the policy that, for liberalisation or globalisation, we have to attract or to bring more foreign investment to our country. But what is the net effect ? A close analysis by many eminent personalities reveals that most of the private companies in India such as Mahindra & Mahindra, Raymonds and Tata Chemicals, would get an opportunity to garner tax benefits amounting to Rs. 21.67 crore, Rs. 2.23 crore and Rs. 4.09 crore respectively. This is the benefit which is being given to the corporate sector. Similarly, more benefits would accrue to the multinational companies also.

We are all very happy to hear what our learned hon. Member Shri Dasmunsi was saying. He was critically analysing the Budget. He was attacking the Budget regarding reduction of customs duty. We welcome it. But I would like to say that the peak rate of customs duty has been reduced considerably, that is, from 50 per cent to 40 per cent. What is the net result ? There is no doubt that the indigenous industries would be affected by this; and the death knell of the indigenous industries has been sounded which would adversely affect the interests of the indigenous industries.

I would like to cite an example. In my constituency in Kerala, there is the company called Kerala Metals and Minerals Limited. There is another company called Travancore Titanium Products. They do import the Titanium Dioxide, Grade-A from foreign countries. I would like to say that in the year 1993-94, the export duty of Grade-A Titanium Dioxide was 85 per cent. Sir, in 1994-95, it was reduced to 65 per cent. In 1995-96, it was reduced to 60 per cent. In last year's Budget, the customs duty was reduced from 50 per cent to 40 per cent. What was the resultant effect ? The resultant effect was that multinational companies like Du Pond have started dumping titanium and other allied products in our country. As a result of dumping and export of these products, the customs duty has been reduced and indigenous industries like titanium industries in India are under threat. At this moment, I would like to urge upon the Government to maintain at least 50 per cent of the peak rate of customs duties. If it is reduced considerably to 40 per cent and further reduced to 30 per cent or 20 per cent, then there is no doubt that our indigenous industries will go away and will be replace by the multinationals. All the doors as open for the multinalional companies to dump their products. India is going to the market of the multinationals. So, I would say that the rate of customs duty should be maintained. At the present moment, 40 per cent is the import duty of titanium dioxide. That has to be enhanced to 50 per cent.

I would also like to say about the achievements made. I am not ignoring the achievements made in this Budget. Some measures are taken in this Budget to secure the

[Shri N.K. Premchandran]

welfare of our country. I am appreciating those measures also. At the same time, kindly look to the other side of the Budget. This is only first part of the Budget.

What about the other side of the Budget ? What about the poor and common people of our country ? As regards taxation, I would like to know the attitude and approach of this Government and of the Finance Minister about the small scale industries. I would like to cite so many examples. The brick industry and tile industry in Kerala have been imposed with heavy tax burden. Tax on umbrellas have been increased. These are well known and criticised. As regards postal tariff, one rupee postal cover has been increased to two rupees. Taxes on products which are used by the common people have been increased. On the other hand, the corporate sector has been given so many concessions. These are the two sides of the coin. So, analysing these aspects of the Budget, how can we say that this is a balanced Budget ? So, it cannot be said as a balanced Budget. It is giving much profit and benefit to the rich class, to the corporate sector and to the haves.

I would also like to appreciate the basic minimum service. Last year, the allocation was Rs. 2466 crore and now, it is enhanced to Rs. 3300 crore. The allocation for the Accelerated Irrigation Benefit Programme was Rs. 900 crore and now, it is enhanced to Rs. 1300 crore. Allocation for Ganga Kalyan Project is Rs. 200 crore and for Kasturba Gandhi Shiksha Yojana, Rs. 250 crore has been allocated. Subsidies on food and fertiliser have been increased to 20 per cent. I am appreciating all these things. As the same time, I would like to know from the hon. Finance Minister as to whether we are able to mobilise resources to meet the social requirements and welfare activities of the people of our country. That has to be answered because even the hon. Finance Minister, in his Budget, admits that the revenue deficit for the year 1997-98 is expected to be Rs. 30,266 crore, that is, two per cent of the GDP. Fiscal deficit for 1997-98 comes to Rs. 65,454 crore, that is, 4.5 per cent of the GDP. I would like to know from the hon. Finance Minister as to whether he is confident that he would overcome and bring down the fiscal deficit to 4 per cent by his limited resources.

Sir, as regards food and fetiliser subsidy and also the dual pricing policy of the public distribution system, it is definite that they will increase the deficit. The oil pool deficit is going up to Rs. 19,000 crore or Rs. 20,000 crore. Bringing down the fiscal deficit to 4 per cent has also lead to so many apprehensions.

The Hindustan Latex Limited in Kerala is earning profit for the last so many years. But the Disinvestment Commission has recommended that 74 per cent of the shares should be sold to private parties. What is the benefit of such a proposal ? All the indigenous public sector undertakings are perturbed by this Disinvestment Commission. Even those underatkings earning profit are under such a threat. What is the economics of such a proposal ? What is the benefit to our country ? I cannot understand it. So, I would like to appeal to the Government to reconsider it.

As far as opening of the insurance sector is concerned, I vehemently oppose the proposal made in the Budget. It is well know that in the Ninth Plan, the LIC and the GIC have been earning huge profit. We are expecting that these two Corporations would be able to achieve the goal of Rs. 90,000 crore in the Ninth Plan. We are going to privitise them. What is the proposal of the Malhotra Committee ? It is efficiency through competition. I would like to know from the hon. Minister what was the position of the insurance sector before nationalisation of the GIC and LIC. Its efficiency has increased.

MR. DEPUTY SPEAKER : Shri Premchandran, please conclude. Your party has already exhausted the time.

SHRI N.K. PREMCHANDRAN : I am concluding with two very important points. As far as health insurance sector is concerned, privatisation means that the entire insurance sector is going to be privatised. So, I oppose the proposal.

Regarding the agricultural sector, which has already been mentioned, 30 per cent of the total GDP is being contributed by the agriculture sector. What is the increase? We are expecting seven per cent increase in the GDP growth rate . . .*(Interruptions)* But there is only a marginal increase of Rs. 20 crore. Even the Economic Survey states that agricultural production has come down only because there is no new innovation. So, more allocation should be given to agriculture so as to increase the production.

Once again, I support the Budget with these limited reservations.

[Translation]

SHRI BRIJ BHUSHAN TIWARI (Dumariaganj) : Mr. Deputy Speaker, Sir, first of all I would like to congratulate the hon. Minister of Finance that inspite of mounting pressure of internal as well as external forces he has tried his best to fulfill the aspirations of common man through this budget and created on air of enthusiasm. In this budget, on the one hand hon. Minister of Finance has taken several risky and daring steps, enacted some new laws, improved the taxation system and on the other hand also pointed out towards the shortcomings and problems of our economy in his speech as well as in Economic Survey. He also mentioned the reasons for decline in our external trade. Financial indisicpline, inflation, faulty infrastructure, shortage of power and petroleum are the reasons for its decline.

Mr. Deputy Speaker, Sir, I would like to think over this budget from three viewpoints. The first is over-all National Development and Character, Secondly from socialists point of view as I belong to Samajvadi Party and believe in socialism. Thirdly from viewpoint of my area as I come from Uttar Pradesh which is the largest state from view population point to view and for the last many years is gripped in the quagmire of poverty and backwardness due to negligence. What will be the criteria of overall national development. Poverty can be that criteria and this is an issue which has been debated widely in this House. I am very sorry to observe that earlier MPs used to support and launch various poverty alleviation programmes but now this issue is not taken that seriously. Now our economists, who frame the economic policy have developed an entirely different ideology that poor class will receive proportion ately more refuse if rich are made more rich. Thus poverty is not dealt seriously.

Sir, I would like to say that our hon. Prime Minister had, made an announcement in Rome & that we shall eradicate poverty by year 2000. I appreciate his sentiments in this regard. According to Lakadwala 37 percent population in our country is living below poverty line. Former Finance Minister Shri Manmohan Singh had said to reduce this figure from 37 percent to 19 percent, but no such provision has been made in this budget for it. Rs. 50 crore has been allocated for poverty alleviation of a population of 100 crore.

The second question is with regard to disparity between rich and poor. If this disparity is not removed, it will revive the country earliest because it can be the reason for ruining of the country. Today I do not want to say anything about socialism because since the presentation of general budget of 1984-85, our economists took a U turn and changed their ideology about socialism. How we can remove this disparity when we cannot discuss socialism here which is mentioned in the Constitution of India. It is very essential to remove disparity. . .*(Interruptions)*.

MR. DEPUTY SPEAKER : You will also get a chance to speak.

SHRI BRIJ BHUSHAN TIWARI : The very first requirement for removal of this disparity is to impose a ceiling on expenditure and raise the production in rural sector. The people engaged in farming activities should be given remunerative prices for their produce. Diversification of crops should be introduced and like the creation of basis infrastructure for industry, the required infrastructure should be developed for agriculture.

18.23 hrs.

[SHRIMATI GEETA MUKHERJEE *in the chiar]*

I would also like to say that earlier the share of agriculture in gross National income was more than 55 percent which has declined to 28 or 29 percent. In this House I would like to make a demand that a separate budget should be presented for Agriculture. This House should be informed about the earning from agricultural sector through banks, saving schemes etc. and funds spent on development of rural sector. So for the issue of unemployment is concerned, I would like to say that animal husbandry, dairy and agricultural sector have termination potential of employment opportunities for all. We cannot provide employment to everyone till this sector is exploited.

In his budget speech hon. Minister of Finance has said that we shall import wheat if needed. In this contexts, I seek his assurance that in place of import of wheat, its production will be raised to an extent of self-sufficiency and try to export wheat. It will be better if we pay remunerative prices to our farmers. In 1994-95 our agricultural production was to the tune of 191 million tonne. I had given a suggestion for imposing a ceiling on expenditure. Nicholas Carter has also mentioned in his report to impose tax on expenditure. Sir, the revenue figures given in this budget are on the basis of an estimated 15 percent increase in revenue and these are based on our 15 percent growth.

The hon. Finance Minister has a concept in his mind that relaxation in taxes will boost development and increase revenue. In this context I would like to submit that this can be possible only when there is decline in demand and pace of industrial development is slowed due to decline in demand but our problem is different. In his budget speech hon. Minister himself has admitted that industrial production is falling. It means that not the demand but there is shortage of supply. The main reason for it is our faulty infrastructure. We cannot boost our industrial production. If we do not pay attention towards improving the infrastructure.

In Common Minimum Programme an announcement was made for setting up of Road Development Fund and a provision of Rs. 500 crore were made for it but in the budget it has bot been mentioned at all. We are trying to seek foreign investment for development of our country but efficient roads and rail service is must for it. But a meagre amount has been allocated for it which cannot be considered sufficient. The cars of such a fine quality and costly vehicles coming in the market can not run on our roads which are in dilapidated conditions. Our economy can develop only when there is adequate power supply

Public Sector as well as private sector both are the

[Shri Brij Bhushan Tiwari]

two pillars of development. We are giving concessions and subsidies to the tune of Rs. 20,000 crores to the big industrialists in the private sector. In my district Basti, the owner of Oswal Mills set up a vanaspati ghee manufacturing factory at Khalilabad which was earning profit. But when they received full amount of subsidy then it was shown that the factory is running into loss. We have announced VDS. I had asked a question as to what steps are being taken to check the money going out from the country. The American economists of international standing had calculated it. In two years, 11 billion dollars have been sent to America and according to the broad estimate of the Reserve Bank of India about 180 billion dollars of the Indian people have been deposited in foreign countries. If this money is brought back in the country then we will not have to run after multi-national companies. But the question is how to bring this money back. This money can be invested in the infrastructure. This capital can also be invested in the real estate. This will check the flight of money outside the country. But today, we see that the public sector is being discouraged. This spirit behind the principle of developing the private sector was to check the disparity and concentration of wealth in few hands. But now the public sector undertakings are being dispenced with gradually.

We have to improve the working of public sector by utilising the upgraded technology. So, I will request for the constitution of the Committee comprising of Members of various parties to consider ways for improving the public sector.

Adequate amount has not been set apart for the defence budget. Our neighbour China has increased their defence budget by 16 percent but we have increased only about 2 percent. We will also have to increase our strength to check mate China because it is a question of national security. There is a feeling that only the strong, organised and rich sections of the societies can take lion share in the economy and the poor and unorganised people don't get their shave. The poor farmer should also be given their due. Otherwise our country can not make progress. There is a need for providing education, irrigation facilities and full employment to our people.

We should be conscious about our oil deficit. The oil production in the country barely meats 40 percent of our requirements in that is why our import bill is rising continuously. The subsidy in respect of diesel is given in the name of the farmer but actually most of diesel is consumed by the rich sections of the society and they use for their rolls royce and other foreign motor cars. So there should be rationing of diesel and petrol. Only then we can become self dependent in the matter of oil and our country will become strong. At the same time poverty can also be checked in this country.

Maximum provision in the budget should be made for irrigation, animal husbandry, education and flood controlling measures. Our plan expenditure is continuously decreasing. In this situation, how can our country make progress. It is a matter of grave concern, we should make higher provision for the welfare of the poor for which we are committed.

With these words, I support the budget provisions.

SHRIMATI JAYAWANTI NAVINCHANDRA MEHTA (Bombay – South) : Mr. Chairman, Sir, hon. Minister Shri Chidambaram has very cleverly presented this budget to win the appreciation of public. I praise him for preparing this populist budget but there is a saying in Marathi which says :

"Dista tasa nasta,

Histam tasam nastam

Mrejoon jag Phastam.

Mahnoon jag Phansta."

It means all that glitters is not the gold. The whole world is taken by glitter of this object I will be happy if the hon. Minister listen to my comments on it. With this budget, I am not hopeful that it will expidite development or country will get rid of its debt problem on the occasion of golden jublee celebration of the country, at present the life of common man has been disturbed. Economic disparity has been created between poor and rich and this divide is widening day by day. I would like to recite this couplet

"Dharti baanti, ambar baanta,

Baant diya Bhagwan ko

Is sansar mein rahna hai to

mat bannto insaan ko."

With this I request the hon. Minister of Finance to take steps for removal of economic disparity. The hon. Minister of Finance has floated a scheme for disclosure of black money worth Rs. 60,000 crore. It is doubt ful that how much money could be recovered or how much black money is hidden in our country and in foreign countries.

Former Finance Minister has also floated such a scheme in October 1975 for disclosure of black money worth Rs. 250 crore. In 1981 black money worth only Rs. 88 crore was recovered through special bonds no such scheme is launched in any other country of this world. It is my submission or rather can be treated as allegations that the names of political leaders involved in recently unearthed scams reveal that how this black money is being utilized. We cannot betray this bitter fact that politicians, industrialists and actors are involved in such activities.

Such schemes as introduced by hon. Finance Minister encourage dishonest persons. It seems that in oblation of economic system ethics are being sacrificed. I would like to say that income tax department is involved in corrupt practices. Therefore, alongwith the economic responsibility hon. Minister should also fulfil his moral responsibility, It is really a serious thing that since the regime of congress party even today the same practice is followed and traitors, who amass money at cost of moral values are forgiven and poor and small industrialists are punished in the name of corruption.

In view of the proposed new scheme for black money, some more people will not pay income tax because at present they have to pay 40 percent as tax whereas under the proposed new scheme they have to pay only 30 percent. People will evade income tax to get benefit of this scheme. In this way Government encourage tax evasion.

I would also like to say to the hon. Finance Minister that in this budget injustice has been done to domestic and small scale industry. Small-Scale industry and reserved industry have been brought in competition of foreign companies and now they will face the outcome of this improper and undesirable competition. Undoubtedly this will create a wrong atmosphere. For example I would like to say that Umbrella industry is a small industry of the country. In 1994-95 Shri Manmohan Singh had levied excise duty on it which was removed later on when questions were raised on it during zero Hour. I request the hon. Finance Minister to withdraw the 8 percent excise duty levied by him on unorganised cottage industries. It is not proper because mostly illiterate persons are engaged in this sector. Umbrella is not manufactured at one place but its different parts like handle, wire and clothes are manufactured at different places. If these are collected and then it is manufactured. It is really injustice to this unorganised and scattered industry that 8 percent tax is levied by the Minister.

Because this way they shall have to pay double excise duty. Umbrella is used by the poor people. The people who are possessing motor-cars do not use umbrella. Electric power is not used in the manufacture of Umbrella. The electricity which is used to manufacture rain coats from PVC is exempted from excise duty, but the Umbrella industry has been subjected to excise duty. Such a step would be fatal of the craftsmen. This is not a perennial industry. These employees go to other places for other jobs like agriculture etc. during the lean period. What I mean to say that a craftsman collects material from 4-5 places and makes an Umbrella and it becomes necessary for him to give a brand- name to the product, like the company which has produced it. When the product gets a brand-name, the Government decides to impose 8 per cant Tax on it. I would like to say that it is improper and this may there would be injustice to the craftsman and the cottage industry. Therefore, this excise duty should not be imposed. Secondly, they can't maintain a record as they are illiterate. Big companies is a separate thing, but it is important to forgive small companies, ordinary people and ordinary craftsmen. As far as I know, these ordinary people would be paying 2-3 crore rupees to the Government, but the Government is spending more amount to collect this amount. So, I would urge the Finance Minister to waive of excise duty from an umbrella which is priced upto Rs. 100. The Finance Minister should give some concession at least on an umbrella of low price. Other wise also this is a commodity which is used by the poor people. I believe the hon. Minister will consider this.

Secondly, I would like to speak about cakes and pastry. These thing have also been subjected to 8 per cent. I do not oppose if excise duty is imposed on big companies like Britannia, Modern, Mangenese, Nilgiris, Italain, J&B etc., but a demarcation line is to be drawn between packed and unpacked goods. There is a reason behind it and that is, ladies are making cakes and pastries while sitting indoors and earn a livelihood. Therefore, these unorganised people, and these minor companies should be exempted from excise duty. I have already said that these ordinary and illiterate people can't maintain a record if it very difficult for them. Therefore, I would suggest that a definite amount of money should be fixed for them and they do not deny paying that amount. They say that you can take a fixed amount of money from them every year, but they find it difficult to maintain an account. There is no going to be any loss to the Government. People are ready to pay revenue they don't refuse paying it. If so much money is spent to realise the revenue, then there is no sense in getting the revenue. Therefore, I would like that the hon. Finance Minister should think about it.

Now-a-days, deficit in agriculture and less production of food-grains is the main cause of economic downfall in the whole country. Physically, we are broken, spiritually we oue thirsty and there are no coins in coffer, and this is the story of the entire country. The Government has got a scheme of giving wheat at cheap rates, a scheme of distribution of rice for increasing the note bank, but if sufficient wheat is not available in the country, where from the grains would be distributed. Where from can we get funds for these expenses ? It is not proper to propagate the living in a parasitic way on somebody else's earnings. Simply, there is no propriety in declaring the foreign consumer items as cheap and reducing the rates of luxury items. This will encourage materialistic and dazzling and glamourous way of thinking which is not proper.

[Shrimati Jayawanti Navlnchandra Mehta]

So, I would like to tell the hon. Minister that keeping in view our nationality and patriotism the country is to be lead to the pinnade of affluence and we have to achieve economic affluence, in order to do so efforts may be made to develop industries and after wards a setting up of multinational companies may be thought. This will improve the economic situation of the country, farmers and labourers status will also improve and the people will get employment through the development of small industries. With this request, I would urge upon the Finance Minister to concentrate on small industries and no other subjects, and with that I would like to end my statement with a hope that excise duty on umbrella would be removed. Some relief may be provided to those people as well who are in cake and pastry business by providing relief by fixing an amount of further. This way all the ordinary people will be encouraged, with these words, I would conclude my Statement.

SHRI ILIYAS AZMI (Shahabad) : Mr. Chairman, Sir, I rise to oppose this budget vehemently. Otherwise also, this Budget is just like a mirage. In a desert when people look from a distance the shining sands appear to be water and the travellers move quickly to get it and the mirage continues. Likewise, some people are cheated and call this Budget as the excellent one. The Budget has been carefully and beautifully made up. Thanks to Shri Chidambaram who has tried his best to shroud the ugliness of the budget with a smooth front. This Budget is like that party which is working in the name of Dr. Lohia but he says . . .*(Interruptions)*** Like wise is big capitalists can bring about socialism. It is a misnorms, that socialism can be brought about in the leadership of capitalists. In the same manner, removal of poverty by this budget is nothing else but a joke . . .*(Interruptions)*.

[English]

SHRI P. CHIDAMBARAM : Rightly or wrongly, he mentioned the names of the Members of the other House. You say anything about the Budget but you should not take the name of the Members of the other House.

MR. CHAIRMAN : Hon. Member, you should not take the name of the hon. Members of the other House.

SHRI P. CHIDAMBARAM : Madam, the names should be deleted from the record.

MR. CHAIRMAN : Yes, that will go off the record.

[Translation]

SHRI ILIYAS AZMI : I have no such intention. Now I am coming to the budget. In this budget, most of the relaxations are given to the middle class or the affluent class above them. I admit that, the Government has increased the relaxation, but I would like to know one thing. When gold was available at the rate of Rs. 100/- the Income Tax rebate was Rs. 6000. If the whole rebate in income tax would be calculated it will come to more than Rs. 50,000, but how much gold you can buy now-a-days for Rs. 50 thousand ? When there was a relaxation of Rs. 6000 in the income tax, the rate of gold was Rs. 100 a tola. If we calculate on those lines a relaxation of 3.5 lakh will come to Rs. 6000. So, it is not correct at all to say that a big relaxation has been given in the income tax.

Sir, many Members have asked one question that budget is alright, but the question arises where from the funds would be raised and the question is proper where from tc raise the funds. I believe that no efforts would be made to lessen the Budget deficit the funds wasted by hon. Finance Minister and the United Front Government.

It appears that there is no intention of the Government to curb unnecessary expenditure not to speak of efforts. Long time ago the Budget was presented, where there were certain items, certain schemes perhaps deliberately, perhaps for the corrupt officers to loot millions of rupees. Certain schemes likes Adult Education, National Literacy Mission etc. were included, which are not the least beneficial . Time and again this issue is discussed in the Parliament. Surveys be conducted, the way hon. Agriculture Minister has evolved a Scheme of Social Audit, likewise a social audist may be carried out and it will be gauged that millions of rupees which are spent in the name of National Literacy Mission and other types of schemes are being looted by the employees and corrupt officers. If a check is put on all these things, the budget deficit may perhaps go down.

Poor people will not be burdened, moreover, but no such intentions are visible. We are aware that the predecessors have left after making wrong schemes but for them it is like a holy book. Although they are aware that this money is going waste. They don't have the courage to lift them up.

Secondly, I would like to praise Shri Manmohan Singh ji that he has not make any big promises, but the 'Inspector Raj' (Rule) during his tenure had a less strength. But the same Inspector Raj (Rule) is being brought back by Shri Chidambaram.

Going through the proposals mooted far the poor, I am reminded of a saying, famous in Eastern Uttar Pradesh that a person had a cloth mill wherein he incurred losses. So he set up a loom to make up for the losses. My point is that the Government is unable to keep a check on large amount of money going dawn the drain and wants to make up for the losses through small measures. The Government imposed 5 percent excise duty on Road Transport because of this very tendency. I would like to ask as to how strong Inspector regime would have to be established in the country in order to recover this 5 percent excise duty. Transport Companies are operating even in small towns

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** Not Recorded.

so whether the Government proposes to depute Inspectors in those areas also. We know that these Inspectors will loot the transporters.

Did you not feel even an iota of pity for the poor people who go to the gulf or other foreign countries in search of jobs when you imposed 5 percent tax on their tickets. People will surely pay taxes but what about the Inspectors regime ?

I had gone to Mumbai a few days ago. I saw Inspectors' Raj there. The Government will charge five percent tax for travelling and will also be providing opportunity to excise and custom inspectors to loot the money in frise of excise duty. My point is that revenue earned will be far lesser than the funds spent for recovering taxes.

I would like to enquire about the social justification of imposing excise duty on umbrellas. Only Poor people use umbrellas. No rich person uses the umbrella. The Government has imposed 8 percent tax on them. Thus Shri Chidambaram is making good of the losses of mills by setting up looms.

A person opens a bakery in a village and also provides employment to 10 other people by investing some money in it. Cakes and pastries are prepared therein. What is the justification of imposing excise duty on his operations ? If the Government had imposed excise duty on the large scale biscuit factories, one could have understood the rationale thereof.

Everybody knows that social equality does not exist in the country. The Government is spending crores of rupees on Delhi whereas it is not paying any attention to the villages. I agree that the Government has increased the expenditure on rural areas but not in the same proportions as in the case of urban areas. The disparity is more or less the same as I'L existed 100 years ago. The same disparity is present even today.

The cities in Uttar Pradesh are in a better condition, but as for my constituency. I would like to tell you that villages are located at a distance of 20 kilometers from the road and not even five percent villages have been electrified.

19.00 hrs.

An Inter-college is located at a distance of 25 kilometers. A lot of disparity can be seen every where. In the backward state of Uttar Pradesh, my constituency is the most backward area. I do not consider it proper to discuss my constituency during the discussions on General Budget. I have cited the names of areas as an example. The intentions and the resolution to do away with the disparity among the states and the areas is not visible at all. Whether the Government propose to make an attempt to remove this disparity. Whenever I was given a chance to speak, I did not take much time of the House. I always speak point-wise. Today also, I do not wish to take much time. The Finance Minister is present here. It would be better if he expresses his views on it. The Government has imposed small taxes on the poor through which Inspector Raj would gain more ground. We got ourselves freed from such Raj after facing great difficulties. For God's sake, please do not try to re-impose the Inspector Raj.

The excise duty imposed on the tickets of labourers migrating to gulf and other countries should be waived off. This duty should be imposed on those who go to Europe and U.S.A. to enjoy themselves. I won't have any objection to that. The Government should impose it on the businessmen. It should not impose excise duty on such labourers who go to gulf countries after selling their fields in order to earn a living. This is injustice. Do not levy excise duty on small bakeries. Withdraw the tax imposed on umbrellas. No tax should be imposed on road transport. All such measures give rise to Inspector Raj.

With these words and with the hope that Shri Chidambaram in sympathetic towards the poor and I do believe that this Government has a sympathetic attitude towards the poor. I do not wish to put the entire blame on the Government but if this government has real sympathy for the poor, it should not impose taxes on the poor. The Government will not get large amount of money in this manner. If the Government is incurring heavy losses, it should shift the burden on these who are being given large concessions and then I won't have any objection.

With these words, I conclude. I want that Shri Chidambaram should express his views as to whether he proposes to withdraw the fax imposed on poor or not ?

SHRI K.D. SULTANPURI (Shimla) : Hon'ble Madam Chairman, I thank you for having given me the opportunity to speak because I kept on sitting here last night waiting for my turn. Nobody from my state has participated in the discussion on the budget. First of all, I thank Hon'ble Minister for having presented such a good budget. I support this budget. Our Hon'ble prime Minister has made several announcements during his tour of Eastern States. Commendable work has been done in Kashmir. But he has not made any announcement for Himachal Pradesh which falls in the first category. I won't make a very long speech because a number of intellectuals are present here. They have used high flown language and have tried to prove on the basis of the data the drawbacks of the budget but nobody has come out with any solution to remove these drawbacks. The budget has only been criticised here.

As you are well aware that this Government consists of 14 parties. All of us have joined hands. Nobody wants to form any alliance with the commercial forces. We are running this Government unanimously and trying to strengthen it.

Madam, first of all I would like to say that the previous Government had allocated Rs. 900 crores for

[Shri Iliyas Azmi]

farmers and for irrigational purposes which has been increased to Rs. 1300 crores this year. I would like to draw the attention of Hon'ble Minister towards my constituency in this regard that tubewells can be installed in the plain areas. There are proposals to instal tubewells at several places but no allocation has been made for the purpose so far. I request the government to allocate money for the plain areas of my constituency so that the farmers may be benefited.

Madam, Rs. 200 crores have been allocated for Ganga Action Plan. All the rivers of Himachal Pradesh flow towards the plains because of which the land erosion is taking place. It is a national loss. Hence I want that forest farming should be taken up for checking the land erosion and rivers should be channalised. Funds should be provided for this purpose.

I had asked a Question no. 660 on February 26, 1996 wherein I asked for information regarding the package programmes. In reply, I was informed that several programmers have been announced for the economic development of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Tripura and Jammu and Kashmir but I regrat to state that Himachal Pradesh has been left out. I would request Hon'ble Finance Minister to include Himachal Pradesh in this list.

Madam, I would like to inform you that the Eighth Finance Commission reduced allocation of funds for all such states which fall under special category and accordingly allocation for Himachal Pradesh was also reduced. Thereafter Ninth Finance Commission was set up and then we got some money. Only yesterday, the issue of waiving off the debt of five – six thousand crore rupees of Punjab was raised here even as Akali – B.J.P. Government has come into power there. So far as Himachal Pradesh is concerned, 20,000 megawatt electricity can be generated through the hydel system and the requirement of northern zone can be met. But we have no money. I want that funds should be provided for power generation in Himachal Pradesh. I would like to inform you that so far as electricity in concerned, all the power projects set up in the country are generating power. Wether the Government wishes to boost their production or suffer losses by providing electricity free of cost in all the states? If that is the case, why this Department has been formed in the country ? How will the Government pay them salaries ? How will it repay the mounting debts ? I am unable to comprehend as to why we wish to ruin our economy ? If that is the case, how will we be able to run the country ? There is a need to conduct a study in this regard and there is a need to offer help to the poor. The previous Government had waived off debts upto 10,000 rupees. Whose debts were waived off ? Those who do not pay back either to the Government or to the other people in the village. The wealth of rich remain intact whereas the Government employees or farmers do not benefit from it. Those who had borrowed money from banks, have had their debts waived off. We have wasted crores of rupees in this manner. We are leading the nation towards destruction.

We do not pay any special attention to strengthening of our economy and running the affairs of our country properly. You have envisaged in your budget that foreign companies would enter our country and make investment here. I hold the view that their will not be in the interest of our country. The foreigners should not be allowed to exploit our people. We must remain alert as for as the exploiters are concerned. It is true that we need money but if you go on distributing the foreign money as alms, then the entire country will be ruined.

The economy of Himachal Pradesh depends on the production of apples, potatoes, maushami and vegetables. Our farmers are badly exploited. When the reach Azadpur Mandi in Delhi, they are given the rates as determined by its load. The Government does not pay any attention towards the farmers. The people in Himachal Pradesh want support price for apples. During the BJP Government three persons were shot dead as they were demanding support price for apples, I urge upon the Central Govt. to declare support price for the items produced in hilly regions as declared in case of other goods.

Adjoining our State is Garhwal, which is also a hilly region. Hill people do not indulge in agitations but they do so when subjected to too lot of exploitation. They are demanding for a separate State. They should be given a separate state. Our Customs and retuals are all a like and we can understand the problems of hilly regions which cannot be comprehended by others. Our areas are without roads; there is no money for power there, no job opportunities, yet we have been ignored in the budget. Whom should we address our grievances. This is the only plat form from where we can voice our concerns. If you want to run the administration properly and honestly, then go and nab those who evade taxes. Who pays taxes today. The Government servants pay taxes but those who are affluent, they do not pay taxes, ultimately these people, who have Income Tax arrears of Crores of Rupees approach the Supreme Court or High Court. Nothing is being done with regard to them. Their houses should be raided and their money should be seized so that the nation may progress. If we just go on saying that it would be done, then nothiing would be done. This should not be done until we consolidated our inherse strength.

Madam Chairperson. I had several points to cover but the time is short. How can we progress if develop tourism is not developed and industries are set up in our area. We can make our point through this House only. It is a sort of temple. If we go on making allegations on each other, then our no purpose will be served. We have to see the entire nation and people want into think unitedly about the nation. The leaders of various parties just say something and wash their hands . . .*(Interruptions)*.

[Shri K.D. Sultanpuri]

[English]

MR. CHAIRMAN : Shri Sultanpuri, you have made your point. Kindly conclude now.

[Translation]

SHRI. S.P. JAISWAL (Varanasi) : Please let him conclude.

SHRI K.D. SULTANPURI : Madam Chairman, you are our old colleague you too want to see some work to be done for the welfare of women folk. You too fight for women's rights.

But there is nothing for women in the budget. Now a days there are no jobs for SCs. Their backlog is not being filled. The SC people woder everywhere for jobs and subjected to atrocities alongwith their wise. But there is no solution to this problem. Please see U.P., Himachal or the entire country, atrocities are being committed everywhere. You should remain alert to safeguard their interests. We all should get unite and strive hard to make our country strong. The Finance Minister has presented a good budget to the nation. It can be harmful to many people and several persons can be benefited from it but the poor and the village should be provided more benefits thought it. To achieve this and the short coming of this budget should be removed.

Madam, with these words I conclude and thank you for giving me opportunity to speak.

[English]

MR. CHAIRMAN : Now, the hon. Minister will make an announcement.

THE MINISTER OF STATE IN THE MINISTRY OF POWER (DR. S. VENUGAPALACHARI) : Madam, as the House is sitting late today, on behalf of the Minister of Parliamentary Affairs, I have to inform the House that arrangements have been made to serve dinner to hon. Members, Press and staff of the Secretariat. Dinner will be served to the hon. Members and Press from 8.00 p.m. in Room No. 70, and to the staff in Room No. 73, on the first floor.

SHRI A.C. JOS (Idukki) : Upto what time are we sitting ?

MR. CHAIRMAN : We are going to sit upto 10 O'clock.

*SHRI L. RAMANA (Karimnagar) : Madam Chairperson, Shri Chidambaram, our Hon. Finance Minister has presented the General Budget for the year 1997-98. Though it is general budget. It has many outstanding features. This budget has been well received by all sections of the society throughout the country.

The present Finance Minister has created a record by presenting two budgets within a span of nine months.

Madam, my party Telugu Desam is extremely happy at the fact that common minimum programme evolved by the United Front Government got a concrete and distinct shape through this budget.

As much as Rs. 3922 crores have been allocated for this year for social sector. Thus top priority has been accorded to the all round development of our society.

Farmers are the backbone of our economy. They toil day and night, round the year, to produce food grains to feed the nation. Our Hon. Finance Minister has displayed wisdom and maturity by offering subsidies on fertilizers at an unprecedented level. The subsidy on indigenous fertilisers has been enhanced to Rs. 5240 crores for the year 1997-98. Last year it was only Rs. 4743 crores.

More than 32 crores of people in the country are living below poverty line. Our Hon. Finance Minister has provided immense relief to these sections by offering an unprecedented subsidy of Rs. 7500 crores on food grains and sugar. This is a record in itself.

The budget support for Central, States and UT Plans this year is also at the record level. It reflects the Government's commitment to the planned progress of the nation.

The outlay for Defence for the financial year 1997-98 is Rs. 35,620 crores. There is a steep increase in the allocation for the armed forces this year and it shows how deeply the UF Government is committed to the cause of Defence of our motherland.

The special feature of this year's budget is the introduction of the voluntary disclosure scheme. This scheme would provide a golden oppotunity to unearth the black money in the country. I hope and trust that the voluntary disclosure scheme to harness 'black money' for productive purposes would be a story of success.

As Hon. Finance Minister himself stated in his budget, we are all extremely concerned about the meance of growing pollution in the country. The proposal to reduce the customs duty sharply of catalytic converters and their parts to 5% from the existing rate of 25%, would be welcomed by all those who are concerned about the health of the people.

To promote tourism, the Hon. Finance Minister has proposed to reduce the import duty on specified

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*Translation of the speech originally delivered in Telugu.

[Shri L. Ramana]

equipment required for hotels from 35% to 25% and on specified speciality food items by foreign tourists from 50% to 25% I have no doubt, whatsoever, that this step would really promote tourism industry in the country.

Nearly half of the population in the country are women. The literary rate among them is very low. Keeping this in view, the Hon. Minister for Finance has announced a special programme called 'Kasturba Gandhi Shiksha Yojana' to promote literacy among girl children. Special schools for girl children in the districts which have a particularly low female literacy rate. On August 15, 1997, our Hon. Prime Minister will inaugurate the programme. That will be a historic day for the nation.

I am also happy that the Government has announced Ganga Kalyan Yojana to support farmers to take up schemes for ground water and surface water utilisation through a mixture of subsidy, maintenance and credit arrangements. Also, Madam, even after 50 years after independence majority of the villages in the country do not have safe water to drink. This year, I am happy that 90,000 habitations are being provided with this facility.

Madam, there are many schemes and programmes which are under the direct supervision of the Union Government. These programmes can be successful and yield the intended results only when they are implemented by the State Governments, as they possess required monitoring machinery. The Central Government could have announced in this very budget, the transfer of such schemes to States and made necessary amounts available to them for their successful implementation. I request the Hon. Minister to consider this proposal seriously and take appropriate steps to that extent.

Madam, I whole heartedly welcome the proposal of the Hon. Finance Minister to amend section 80 G of the Income Tax Act to provide 100% deduction in respect of donations made to the Chief Minister's Relief Fund or Lieutenant Governor's Relief Fund. By this step, the State Governments will be in a better position to undertake rescue and relief operations when they face emergency situations arising out of natural calamities like cyclones, floods and earthquakes, etc.

Andhra Pradesh is reeling under acute power shortage right now. The farmers are agitating for more power supply. Though the State Government is taking all the necesary steps, it is simply impossible for it alone to tackle the problem. The power shortage is too acute. This may affect the standing crops very seriously. Hence I take this opportunity to appeal to the Hon. Finance Minister to sanction Hinduja (1000 MW) power plant and Simhadri Power Project (1000 MW) at once and ensure their speedy implementation. As a short term measure, I request the Central Government to take steps to transfer the required power from NTPC as is being done in the case of Karnataka now. I hope, the Hon. Finance Minister would attend to this problem immediately.

Madam, the Prime Minister's Rozgar Yojana is now being implemented throughout the country. But unfortunately the Bank officials are not cooperating in the successful implementation. These bank officials are refusing to sanction the loans to the intended beneficiaries. Loans are also not being granted for the schemes under DRDA to the chosen beneficiaries from a cluster of villages. I request the Hon. Finance Minister to note this fact and take remedial measures immediately. No need to say that the successful implementation of this scheme, to help the poor and downtrodden in our rural areas, is the primary responsibility of the Central Government.

The small scale sector is making an important contribution to our economy. I am happy that the declared policy of this Government to free the small scale industry from the rigours of cumbersome procedures is being successfully implemented. The full exemption from duty on clearances up Rs. 30 lakhs in a financial year will undoubtedly boost the morale of small scale units. I have every hope that this step would encourage setting up of many more small scale industries in the country.

Madam, Karimnagar district in Andhra Pradesh is well known for handloom industry. Siricilla town is a well known place for weaving. The weavers and thousands of workers who are engaged in many dying and processing units in Siricilla are facing a crisis today. They are on the the verge of starvation. Central Excise Duty was imposed on these units last year. This duty is applicable to units which run on 300 HP motors costing Rs. 5 crores and also to the units which run barely on 1/2 HP motors costing only Rs. 25000. These tiny units are cottage industries. Nearly 10,000 families depend on these units for their livelihood. The income is just sufficient to meet their expenses. Because of the emposition of duty, all these cottage units have been thrown out of their work. All the workers who have been engaged in these units have lost their livelihood. The dyed clothes in these units are dried in the open. It is a cottage industry in all aspects and hence they should be treated as such. These cottage units deserve to be exampted from the Central Excise Duty. I earnestly appeal to the Hon. Minister for Finance to extend the exemption from the duty to these cottage units also. The Hon. Finance Minister was kind enough to exempt fully from the duty those small scale units whose clearances do not exceed Rs. 30 lakhs an year. The dying and process units in Siricilla are cottage units and fully deserve the exemption from the duty. Hence, once again I earnestly appeal to the Hon. Finance Minister to extend the exemption from the duty to the dying and processing units which happen to be the cottage industries. I hope the hon. Finance Minister would issue necessary instructions at once and save thousands of families from starvation.

Madam, I thank you very much for giving an opportunity to speak on budget and conclude my speech.

[Translation]

SHRI SULTAN SALAUDDIN OWAISI (Hydrabad) Madam Chairperson, as far as India is concerned, it is budgetary conditions have changed. Earlier we had raised a slogan of socialism. There was a virtual turn around during the rule of Shri Rajeev Gandhi, the multi system was introduced during Shri Narsimba Rao's regime. Shri Chidambaram is not acting on his own, as far this budget in concerned. He wanted to do somthing but he has his own limitations is this coalition of various parties. It has not been stated in this budget as to how we would repay the foreign debt. How shall we mobilise the funds to repay that loan. There are many other things is the budget but not much relief has been given to the poor and the minorities who have voted this Government to power. At one point of time there was a proposal to provide Rs. 500 crores but so far not even Rs. 35 crores have been received. All such things are drafting and alienating them away from the main stream. They supported you whole heartedly but what have you given them. We do'nt find anything in the budget for the poor and the minorities. There representation is almost zero in Government jobs. Even if some one starts a petty business he is harassed by the Income Tax Department. Even if we establish a Madarsa or a school or a college, we are subjected to harassment. you yourself surprise about our plight. I am running one Medical College, one Engineering College and one I.T.I. as well. These we are asked to provide 50 per cent seats to non-muslims. I say I would give eiven upto 75 percent seats to the non-muslim but let them provide atleast 25 percent seats to muslims in all the Government colleges. It is a strange type of imperialistic policy is going on. Whatever you manufacture we 'will take that. How strange it. Then we feel whether we are not the urban people of India. Do we have no rights ? We do not take any financial assistance even then such wrong is committed against us, what alternative is left with us and where we should we go far redressal of an grievances. You want to give 10Kg. rice to the poor families. How the poor families having lot of children, can manage for a full month with 10 kg. of rice, Obviously he willl resort to open market purchase, then how he will he benefited from this scheme. He will not at all be benifited. The Government says that financial assistance would be provided to the backward regions but you can see the plight of Delhi or Hydrabad for yourself in the muslims dominated localities. The lanes and by lanes of old Delhi are so narrow and congested that I am reminded of proverbial Lailas then fingers. Nobody is bothered about their condition.

On the other hand. There are broad and big roads of New Delhi. How long will the poor man tolerate all this Mr. Chidambaram is aware of the fact that whenever we start any activity, the Income Tax personnel conduct raids and try to harass us on the basis of some minute technicalities of rules. Despite all this we have progressed. There are so many rules. We fail to understand as to what we should do. The situation is worsening because of this. The Naxalites have their hold in some parts of Andhra Pradesh. Earlier the muslims use to keep the Naxalites at an arms length but by now 250 muslim youth have joined the Naxalite movement. I can not provide jobs to them in my capacity as an M.P. The Navalites pay Rs. 2,000 to their families and also feed them. The family is also paid Rs. 10 lakh in care he dies. Tell me whether I am capable of providing them all there things.

I can simply sure their voice here in case they are victimised which is some thing like the annual urs. You do whatever you want to do and we may whatever we wish to say. But nothing comes out positively urs is an annual festival it is just like paying a floral tribate once is a year. This has created a sense of helplessness among the people and they do not know where to look for the redressal of their grievences. There is severe power crises in Andhra Pradesh. If immediate Central assistance in this regard is not given the crop standing on 27 thousand hectares of land will perish. It altogether. The farmers of Hatta in Telangana a district have committed suicide.

Telangana is a backward area. The people of this region are facing a lot of difficulties. Previously separate budget provision used to be made for them. There was a regional Committee which was dissolved. After that 6-point formula was evolved but everybody knows as to how each farmula materialised. The person who has authority can write the final judgement because the judgements are written on the gun point which are aceepted all over the world. The ink is dried and omitted. That is what is happening there as a result of which a struggle for a separate Telangana has started. Without due consideration they make announcement. You made the announcement regarding Uttrakhand and after that this demand was followed by all the people. If you really want to fulfill this demand, you form small states and if not you abolish this article from your system once for all. But what is it at all that people start agitation and court arrests unnecessarily. It is not a good thing. Some clear policy should be evolved In this regard.

[Shri Sultan Salauddin Owaisi]

I would also like to say that because of the rising prises you should provided some items to the poor at subsidised rates. Presently the rice is available at the rate of Rs. 17 per kg. I don't know what will be its price by 2000 AD. Perhaps the population of India may come down due to starvation. Poverty and starvation death may being down the population of India. If it is a scheme I don't want to say anything. But it is not because of that.

As you have made provision for a number of items in the budget so whatever may be verdict of the court I would like to say that make some provision in the budget for the construction of Babri Masjid accordingly so as to bring it in the same condition as it was earlier.

As I belong to Andhra Pradesh I would like to raise the issue with regard to I.D. & L. factory. This factory was closed down. 3000 workers of the factory have been rendered jobless. They have not been getting their salary for the last 3 months. They are starving. You don't have any clear policy as to what alternative employment or arrangement you want to make for them. We want that all the worker rendered jobless as a result of the closure of this factory, should be provided with suitable job.

Further setting up an Urdu University in Andhra Pradesh has also come under discussion. Announcements are being made but if is not clear as to what the Government is going to do, what steps the Government is going to take. I would like to say that the birthday of Maulana Azad should be fixed for opening the University otherwise it will be deemed that we are making announcements for the muslims that of and so will be done for them and if any book is written on such promises it will an addition of a set of volumes to the Parliament Library revealing the fact that the promised made so far were never fulfilled whether the promises are made only for not fulfilling them ?

Madam, you may also have sympathy on all these issues. Woman has a more tender hearts. Perhaps because of that, although very late, you have given me time. You have done good.

Any how I am thankful to you and conclude my speech.

[English]

SHRI C. NARAYANA SWAMY (Bangalore North) : Respected Madam Chairperson, the second Budget of the United Front Government has been a novel one in many respects. It has sought to transform the policies and programmes contained in the Common Minimum Programme into reality. The thrust that is being given to the basic minimum services is also considerable.

The Eighth Plan allocation of Rs. 30,000 crore for agriculture and rural development activities has been sought to be doubled in the Ninth Plan to Rs. 60,000 crore and the corresponding allocation has been sought to be incorporated in the Budget. On the agriculture and irrigation sectors, very laudable schemes are being initiated. The schemes like the Accelerated Irrigation Benefit Scheme wherein the current year's allocation of Rs. 900 crore is sought to be increased to Rs. 1,300 crore. For Rural Infrastructure Development Fund, Phase-III, an amount of Rs. 2,500 crore is being earmarked for implementation of the various schemes.

Another important aspect is the attempt to strengthen NABARD with advance additional share capital of Rs. 500 crore out of which Rs. 100 crore is the Government support and Rs. 400 crore is sought to be routed through the Reserve Bank of India. NABARD is expected to incorporate state level agricultural development financial institutions.

Another important decision being taken by the Government is to recapitalise regional rural banks with a support of Rs. 270 crore. These go a long way in providing the needed rural credit. There is also a proposal to double the flow of credit to agriculture and agro-industries in the next five years and the present increse in this Head is increased from Rs. 22,000 crore to Rs. 28,600 crore, a considerable increase in the proposed flow of credit to the rural areas.

An important feature of the Budget is housing. There has been a provision for housing through various schemes for the people living below the poverty line or the poorer sections of the society. Now an attempt is being made for the first time to extend credit facilities to the farmers in the rural areas through the National Housing Bank by providing credit facility with nominal rates of interests. This programme to be launched on the 15th of August this year is intended to provide facility of credit to 50,000 families in the coming financial year.

In the field of rural development and employment generation, there have been various programmes aimed at implementing these schemes. Some of them have been the IRDP, Prime Minister's Rozgar Yojana, etc. This kind of multiplicity of programmes has its own problems of integration and coordination. Now an ambitious decision has been taken to provide skill-based training with subsidy-linked bank assistance credit to over one million youth during the coming financial year. There is also an attempt to rationalise these various programmes. There have been numerous programmes with the same objective and a need was felt to have a unity of programmes, so that implementation through the same implementing agencies can be effectively administered. The Planning Commission has been entrusted with this responsibility of bringing this into effect from 1.4.1997.

On the industry and infrastructure field, budgetary support to the National Highway Authority of India has been raised from Rs. 200 crore to Rs. 500 crore. An important feature of this year's Budget is the increased devolution of funds to the States. An additional Central assistance to States for externally-aided projects has also been mentioned. Another important aspect is the information technology revolution on which the Government has laid thrust and this encompasses national boundaries. When there has been a technological revolution all round us, it is essential that India does not lag behind in following this trend in the international arena.

Through rationalisation of duty structures in various fields, especially in the fields of investment and development, the Government has sought to provide incentive and encouragement to industrial activity and also for investment in infrastructural development like Power, Communications, etc.

Another aspect I would like to mention here is the general exemption scheme that has been extended to various small scale industries, Relief has been given to textiles, especially the jute industry which has been hit by various problems. There was an attempt made in the current year also to instil finances to fund the public sector undertakings with revival packages during the current year, that is 1996-97. Specific PSUs were selected for this purpose like the Bharat Yantra Nigam, Bharat Bhari Udyog Nigam, Hindustan Paper Corporation, Scooters India Limited, HCL and Bharat Refractories. For the ensuing year 1997-98, Rs. 1107 crore provision has been made under the non-plan head for restructuring the public sector enterprises.

I would like to mention here that under the present Budget allocations there is also a mention of improving the functioning of the public sector undertakings, especially the *Navaratnas*, the nine PSUs – IOC, ONGC, HPCL, BPCL, IPCL, VSNL, BHEL, SAIL and NTPC.

But I would like to mention here that in the field of communication and basic infrastructure, we have the public sector undertakings like the ITI, the Indian Telephone Industries and the HMT, which were once considered to be on top of the industrial map of India. Now, in order that we have indigenous technology, indigenous effort and upgradation, I feel, it is time that the Government included these two undertakings, that is, the ITI and the HMT, under the rehabilitation and encouraging programme of navratnas. These two ratnas could be included in that. There is also a need for this because the Research and Development facility available here is one of the best in South Asia. Thus, we would be able to bring about local technology for utilisation in the country. We also have the C-DOT technology indigenously, wherein technology improvement is also passed on to the various units under the C-DOT and the technology is comparable to those in the advanced countries and especially with the technology in the ITI, we would be able to manufacture telecom equipment which are in great demand overseas also. The C-DoT technology is available and utilised in State sector enterprises like the Karnataka Telecom Limited also. It also needs the support of the DoT to strengthen its pace and it is high time the Government thought on those lines.

I would like to take up the point regarding an important aspect of the United Front Government in the field of restructuring the public distribution system and also extending fertilizer subsidy. An amount of nearly Rs. 16,690 crore has been set apart for strengthening the PDS cumulatively and for extending subsidy to the fertilizer sector. At this juncture, I want to mention that it was Andhra Pradesh and Karnataka which first introduced the Rs. 2 per Kg. of rice scheme. It was very popular and it helped people living below the poverty line.

SHRI R. GNANAGURUSHAMY (Periyakulam) : Prior to that, it was introduced by the DMK Government in Tamil Nadu.

SHRI C. NARAYANA SHAMY : I stand corrected.

These are some of the States which were in the forefront of providing succour to the families living below the poverty line. Now, it is in the fitness of things that the hon. Prime Minister, who as Chief Minister of Karnataka revived this subsidised foodgrains scheme during his regine, has decided to extend it to the whole of the country. So, some of the States who initiated steps in this regard and were suffering heavy financial burden would be assisted now to implement this programme.

At this juncture, I would like to make an observation that foodgrains like wheat and rice have been included for extension of subsidy benefit. We normally have different food habits in different parts of the country. It is not that all areas of the country grow wheat or rice for that matter. Now, in our country, especially in my constituency, people generally use the local cereals like ragi. We also use jowar in certain parts of Maharashtra and Karnataka. I would call upon the Government to see that these local foodgrains are taken up for extention of this subsidy, to be included for public distribution through the setup.

So, it is very essential to see that the farmers growing these crops are also encouraged by giving them the advantage of support price for these crops.

[Shri C. Narayana Swamy]

Stress has been laid on increasing the women literacy. Under Kasturba Shiksha Yojana residential, education is sought to be provided for girls. For this scheme Rs. 250 crore has been provided in the current year's Budget. The Ganga Kalyan Yojana would provide minor irrigation facilitity to the poor farmers. Rs. 200 crore has been allotted for this programme. But this is not sufficient and I hope the allocation would be increased in future.

There is reference in the Budget document and in the Approach Paper of the Ninth Plan to the strengthening of the decentralised sector, that is, the panchayat raj institutions. I would, at the juncture, call upon the Government to bring about constitutional changes on the lines of 73rd and 74th Amendments in respect of cooperatives so that the control of bureaucracy is greatly reduced. It would also enable them to function democratically. Now, there has been a salutory increase in the Budget to the extent of nearly Rs. 8,000 crore which I welcome. Hon. Minister of Finance has given many concessions to the small scale units last time which are involved in the manufacture of tread rubber. Only common people who are not able to buy new tyres resort to retreading of tyres. Earlier, it was in the general exemption category for ten years. Now, for various reasons only seven per cent regular tariff rate is allowed to the small scale units. I request the Government to reconsider this decision. I also request the Government to accord to this industry the facility available to the small scale sector under the general exemption category. The levy on bricks and tiles which are used by the common people and the poorer sections of the society has become a hindrance. This would imply increased cost of building construction for the poor people.

I also feel that production of energy through non-conventional energy sources, like bio-gas, solar and wind energy should be encouraged. Financial Institutions must be given targets for financing these schemes so that the power shortage which we face now is greatly reduced.

With these words, I appreciate the hon. Minister of Finance for the initiatives which he had taken which would go a long way in helping overall development of the economy.

[Translation]

SHRI DEVENDRA BAHADUR ROY (Sultanpur) Madam Chairperson, many members have spoken on the general budget and the figures have also been quoted here. I don't want to go into detail regarding figures. The budget used to be presented in the last week of February even 50 years ago and the same situation continues even now. In the earlier budget economy based on Gandhian philosophy and Nehru Socialism used to be discussed and it was to be observed whether more funds were being given for cottage industries or for infrastructural industries. This system has changed within these five years and it is being discussed whether the funds are being given for multinationals or far indigenous industries. How many capitalists in industrialists are being invited to the country ?

20.00 Hrs.

It is mentioned in the budget that it is being presented for the welfare of the poor people. But in reality it will prove must hazardous. It is not favourable for farmers. It is hazardous for poor people. It does not have any scope to encourage the feelings of self-reliance and self respect. Five years ago when foreign economic powers were started to be invited to our country Shri. Nar Singh Rao Government was in power. His government encouraged this tendency. But I don't know the reasons why the present Government is more interested and has come forward in inviting the foreign capitalist. The present Government has kept the tendency alive. They feel proud of themselves in giving such statements that they have opend their doors their burden and whatsoever, in any way, wants to come to this country he can come. Whatsoever money he wants he can gets. We are providing them more facilities, wear reducing our tax rails for them.

What will be the result of all this and what is happening at present ? Very big foreign capitalists are coming to our country and the persons who are capitalists and industrialist of our country, who have set up their own factores here, are working with them as their small partners and after some years they would become their agents only, they will works as their agent. They neither have been able to retain their proprietorship nor they have been ask to have their contribution in the society.

Madam, our cottage industry is being ruined. I believe that in near future no such industry will remain in existence in our country. When cottage industries do not exist here we shall not be ask to set up big industries in our country. When foreign capitalists come to our country the whole money will be transferred to the foreign counters. And as a result of it crores of people will be rendered jobless in our country, what will happen that time in the country when crores of the people shall not have any job for their survival. We shall not have our own factory, our own trade, we shall be merely agents of multinationals. As that time how there jobless people shall react towards the country ? Whether at that time the democracy will survive ? At present neither the Finance Minister nor the Government is thinking about it. We are just being given a good news that a lot of money is coming from the foreign countries but whether we shall get that money ? They shall invest their money, charge the interest on their money and earn profit on their investment, Ultimately they shall return to their respective countries alongwith their profit, their earnings learing our crores of people jobless. As a result of it they either shall involve in noting or involve in corruption and misconducts and we shall be enslaved again as East Asian countries.

Madam it is being stated that we have opened path for enormous development. When you have not made any provision for power sector and when there will be searcity of power how our country will make any progress ? No development can take place without power. We are being told that they would provide funds but to whom ? You did not give money for sius industries, cottage industries. You did not make any provisions forsick industries.

Sir, I shall cite an example with regard to my own state. In the Kanpur city which was used to be ever called Manchester of India, today all the factories have been closed down. Lakhs of people have been rendered jobless. Crores of people of their family are on the verge of starvation. Today this Manchester of India is known as dieing city in the General Knowledge book. Due to verdict of the Supreme Court Lakhs of artisams and workers have been rendered jobless in Ferozabad. Thousand of factories have been closed down there.

What the Government is going to do for such factories in this budget. This fact has not been taken into consideration so far. After independence most of the Prime Minister's have been from Uttar Pradesh 'but if is a misfortune of the state that inspite of having 16 percent population of the country only 7 percent of the total budget has been earmarked for this state. Now it has gone down to 6 percent. I would like to say that people live in this state too and they should be given their dueshare. No arrangement has been made in the budget so as to remove inbalances. Even after 50 years of independence there are thousands of villages in the Sultanpur district where electric poles have been erected for the last 5-10 year but there is no wire. I am a member of Parliament. I am afraid while going there even by moter cycle. The budget presented in February is the indication of this development of this area.

It is said that this budget is pro-poor but you will know the facts only when you go to villages and inquire about the reactions of local people on the budget. Earlier, during my school days in February people used to listen to radio on tea shops or 'Pan' shops. They used to be curious to know about the budget as to whether funds were allocated for poor people and cottage industries or to big factories of Bhilai and Durgapur. Concession given to foreigners or foreign companies was not an issue of discussion but they used to discuss as to whether more attention and funds were provided to Nehruvian policies or Gandhian policies.

At present situation has changed altogether. Now people do not discuss budget even on the day it is presented concessions have been given on luxury goods like A.C., T.V. and refrigerators where as price of postcards has been increased. The poor man's only means of communication the postcard where by a poor woman can write to her husband about her problems has been texed whereas no tax has been levied on Fax.

This budget is not for poor people but just pro-poor. Taxes are being levied on all items used by the poor. The hon. Members have said a lot about levying of tax on umbrellas. Several provisions have been made for cities drinking water has been provided to cities. Mineral water is used in cities in parties and marriage function etc. Mineral water is used by Ministers and no tax has been imposed on it. But in villages people have to get drinking water from the same place from where animals drinking water. During the summer season animals do not get water from ponds, where from will the people get it. I have been elected for the first time and during the election compaign, when I went to a village where an old lady said that she could give me her vote but not the drinking water. When I asked the reason for that she told me that she had to fetch drinking water from a distance of 3 km. twice a day. She said I am widow and have there children, it is not sufficient for us then how could I provide it to 20 people. It is not the condition of one village in my constituency but villages of almost all the states are facing the same problem. You are drinking mineral water and claims that this Budget is a pro-poor. You are allotting Y2, 1 and 2 acres of land for SCs and STs. Do you know what is the estimated production of that much land possessed by other farmers. During the seasons of wheat their fields produce two sacks of wheat and during the season of paddy they produce three sacks of rice and spend their whole life in this way. They have to work on daily wages of Rs. 10-20 but at present they are not getting even that.

Madam, I would like to know as to what has been given for agriculture in this Budget. Tax on A.C. has been reduced but on urea it has increased. Tractors have not been made cheaper. Last year the price of tractors were reduced and every district was allotted 5 tractors to be sold at cheaper rates which were purchased by five rich farmers of that district and remaining tractors were sold at high rates and thus people were cheated. This year also rebate on tractors is mere eye-wash. A few people are minting money by such schemes. Prices of urea have been increased. Farmers do not have LPG facility and ban is imposed of felling of trees. In view of this farmers need cowdung as fuel. Your policies have also increased the

[Shri Devendra Bahȧdur Roy]

slaughtering of cow, and cow progeny, and buffaloes for export of beef. How farmers would get cowdung cakes when there is shortage of animals. Farmers are not getting cowdung which is used as fertilizer. How will the agricultural production increase and how will the economic condition of the farmer improve ? Do the children of farmers have no right to go to cinema even once in a whole year or right to study ? This government proclaims to work for poor but most of the villages lack junior high schools in a radius of 5 and 10 km. whereas in cities/private nursery schools have been set up in almost every street. Is it the budget for poor, where farmers are not getting cowdung fertilizer or fuel . . .*(Interruptions)*. Madam, I am speaking for the first time. Villager do not want to listen about budget. They know that price will rise after it. People of urban areas are not worried because they know that rebate will be given on imported goods. Earlier an atmosphere like curfew was created and upto the last moment people used to be unaware about it but now everyone knows which goods will not be taked and where rebate will be offered ?

Everything under the sun from education to coffin are covered in the budgets. But are you aware of the facts whether this money allocated in February is actually spent. 30 percent of the general budget was spent in 1996 at the time of presentation of the budget and remaining 70 percent will be spent in March, 1997 between 25 and 31st. You will be surprised to know that on 22nd of the last month I was called to give my views on expenditure to be made from the allocations of the last year's budget. Between 31st March and 7th April officers and concerned engineers sign after taking their share out of it. Whom are you fooling here ? The fund received from people as tax should be spent on development and progress of the country. Does the hon. Minister of Finance know or wants to know as to here this money is being spent ? Sir, through newspapers, T.V. and radio, the educated people of this country have come to know that hon. Finance Minister has cleverly presented this populist budget. The Finance Minister should not be an acrobat, magician or artist to perform such arts but he should be an inspiration for development of the country who could exploit and provide all the existing resources for development. Sir, through you I would like to say that a committee of MPs should be set up. This is my first term and I have experienced that on most of the issues, the members are unanimous to know about the facts and reality and usually there is no controversy.

Madam, I would like to say that budget allocation should be spent on monthly basis in accordance of the total funds earmarked and it should be assured that funds should be spent on the same item for which it was allocated. I think that no member of any party will oppose it. It has been observed that all the members when they visit some State as a Committee arrived at a consensus on an issue if required. There is no doubt about it.

The hon. Finance Minister should think whether the funds being provided for a specific purpose are being spent on it actually. Yesterday in the train I met a big official of a department in my state. When I inquired as to what is being done about drinking water problem. He said that 5-7 days are still left. Let the report be presented. I do not know that how that fund can be utilized in just for seven days. He has gone to Mumbai. The development work will start after 25th. How can you expect development in such a short time. When I start from my area on motorcycle on *"Kutcha road"* I feel that I am entering the death trap of a circus. I would like to express my concern over this budget. It is not for the benefit of the poor. You are not providing area to farmers, funds for animal husbandry and special allocation for education of girls. I fully agree with the view of my friend from the ruling party who said that like the railway budget, a separate budget should be prepared for agriculture sector especially because agriculture is the backbone of the economy. This budget is neither making us self-reliant nor promising employment oppotunities for our unemployed youth. It is not providing adequate funds for education, boosting our image; providing resources for drinking water facility or fertilizer or seeds to the farmers.

Madam Chairman, a few days back the issue regarding shortage of wheat was discussed in this House. We are sons of farmers and you can know our feelings very well that we did not get wheat seedings timely and thus thousands of acres of land kept lying idle. What can be more unfortunate them this that when the country is facing shortage of wheat we are unable to provide seedlings to our farmers.

[Translation]

Mr Chairman, Sir, thats why I strongly oppose this budget. This budget is anti poors and contains nothing positive. If it is at all positive, then its positive for the affluent class and whatever is bad in it that is for the poors and the entire nation. As this Bill moved in this House is against both-the poors and the nation itself, strongly oppose it.

[English]

DR. DEBI PROSAD PAL (Culcutta North-East) : Madam, Chairperson, I rise to support the present Budget, not because I full support it but, because of the understanding that my political party has with the U.F. in power. I am here to support the present Budget, but with great reservations.

I must congratulate the Finance Minister for being emphatic on the continuation of the policy on economic reforms. The present Budget accepts the policy of economic reforms which was introduced by the earlier Congress Government when we took over power in June, 1991. That was a period of unprecedented economic crisis which was tided over by the earlier Congress Government. During these five years, new economic reforms were introduced by making macroeconomic adjustments and correcting various fiscal distortions which had crept into the economy . The result is that there has been a spurt in industrial growth, revival of agricultural growth and also there has been an all-round increase in our economic growth.

The Finance Minister has frankly admitted, that there is no reversal of the policy of liberalisation which had been introduced by the earlier Congress Government, even though some of his collegues did not share the same view. When I look at the present Budget, on the face of it, it looks like a populist one. It had satisfied various sections of the people. But when you look at it a little deeply, it is fraught with various consequences which might completely disturb our economy. The Finance Minister himself has admitted that even though there have been certain development and also successes, there are drawbacks also.

The Finance Minister has been very much perturbed by the sluggish production in petroleum, power projects and also by the deceleration of exports. The sluggishness in the capital market and, above all, the rise in the rate of inflation are some of the problems which he himself has admitted. But he wanted to get over those problems by the policy of Plan Outlay and tax reforms.

When I come to the Plan Outlay, in 1996-97 the budget estimate was Rs. 87,000 crore and the revised estimate was Rs. 77.000 crore, that is, Rs. 10,000 crore less. This year the budget estimate is nearly Rs. 91,000 crore. What it will come to at the revised estimates stage, we are yet to see. According to the present Plan Outlay, 18.5 per cent is to be spent, but in the major fields of agriculture, infrastructure and in the sphere of social services sector he has claimed that sufficient resources have been earmarked. But when we look at agriculture, there has been an unprecedented for per cent increase of 40% in agricultural production this year. Even earlier, in the days of Congress Government, the average agricultural production during the last three years was five per cent.

He has given only 13.35 per cent for agricultural development. That is too low a figure. His own colleague, even the Minister of Agriculture has observed that with this meagre fund, it is not possible to meet the target of 4.5 per cent. It has been said that he has to give greater emphasis on agriculture and that is the observation of his own colleague. There has been no incentive for promoting agricultural exports.

In the field of rural development, the hon. Finance Minister has said that he has given 40 promises in the last year's Budget and he had fulfilled all those 40 promises. As he himself said, his entire Budget is based upon the Common Minimum Programme following the Common Minimum Programme for this year has earmarked Rs. 2666 crore for the seven services in the social sector. I wonder how with this meagre sum of Rs. 2666 crore, seven services in the social sector can be maintained. He says, 'Seven Minimum Services'. These are only the change in the phraseology. During the earlier Congress Government, we had provided for certain minimum services for the rural people. For example, our former Finance Minister, Dr. Manmohan Singh had made a provision for employment in the rural sector for at least 100 days for two members each of 3175 families who are below the poverty line. His Budget for 1995-96 had provided that at least in every family, there will be three types of social assistance. The elderly people in the rural sector who are below the poverty line will be given pension. If there is any accident in his family, then he will be given Rs. 10,000 without any insurance; and if there is a natural death, he will be given Rs. 5,000.

Various other social welfare schemes were provided for by the earlier Congress Government's Budget but we do not find any reference to that, although seven services have to be met by spending Rs. 2666 crore in the rural development scheme.

20.29 Hrs.

[SHRI P.M. SAYEED *in the Chair*]

It is disheartening to note that under the Indira *Awas* Yojana, only seven lakh houses are to be provided for. Even in 1995-96, the earlier Congress Government had provided for ten lakh houses for the poor people in the rural sector. But we find in the present year's Budget that instead of increasing that figure, only seven lakh houses are going to be provided.

In the social sector, although you have earmarked certain amount but the main difficulty is that there is no provision for monitoring of the scheme. According to the Finance Minister's own speech, social sector services includes general education, medical relief, sanitation – and also the unemployment problem, There is no reference as to how these schemes are to be implemented.

How wil! there be a monitoring ? It has often been

[Dr. Debi Prosad Pal]

found on experience that the money or the sums earmarked for these services are not spent properly. Unless there is a monitoring and proper implementation of the scheme, the sums which have been earmarked for social services find their way into different channels. But ultimately, these scheme are to be implemented by the States and the Central Government has to keep a vigil eye upon how the money is to be spent.

MR. CHAIRMAN : Kindly conclude now.

DR. DEBI PROSAD PAL (Culcutta North-West) : I will conclude within a short time.

MR. CHAIRMAN : We have a number of speakers and I am directed by the hon. Speaker that we will have to finish the entire debate tonight.

DR. DEBI PROSAD PAL : The hon. Finance Minister has introduced reduction in taxes. I certainly congratulate him for taking this step. The rates are 10 per cent, 20 per cent and the maximum slab above Rs. 1,50,000 is 30 per cent. But in a developing country, normally the tax rate at least in the higher slab should be say the higher slab than 40 per cent.

The Minister has introduced a scheme for disclosure of Income. This is not something new. Disclosure schemes have been introduced from time to time. But the response, which the Government has got, is not very satisfactory. Even Dr. Manmohan Singh, as the Finance Minister, had introduced a short of disclosure, in the sense that if anybody's house is searched an unaccounted money is obtained then he has to pay only 60 per cent and the rest 40 per cent he can cretain. So that 60 per cent had to be paid on this unaccounted money.

MR. CHAIRMAN : You will have to conclude now. Please cooperate with the Chair.

DR. DEBI PROSAD PAL : He introduced that 300 per cent penalty had to be levied even in such type of cases. If that is so, how the disclosures scheme which was introduced by the earlier Congress Government would succeed. But now the Finance Minister had introduced that only 30 per cent has to be paid.

Now, there has been a lot of criticism. The honest tax payers who are to pay at the maximum slab at the rate of 30 per cent and those tax dodgers and evaders who are coming with disclosure, cannot be on the same footing as the honest tax payers. There should be some difference and at least, not less than 40 per cent or 50 per cent they have to pay, if they are to come out with disclosure scheme.

Otherwise as it was found, a point arose before the Supreme Court when the Bearer Bonds Scheme was challenged as offending Article 14 of the Constitution. The Supreme Court accepted that there was a discrimination but the money can be had on the larger interest. Ultimately, the Supreme Court upheld that scheme.

MR. CHAIRMAN : I will have to call the next speaker now. Please conclude.

DR. DEBI PROSAD PAL : When the capital market is sluggish, the Finance Minister has deleted tax on dividents. It is a very welcome measure. I hope that it will give some encouragement to the revival of the capital market. But he has also introduced one tax, namely, the companies which distribute profit by way of dividend, they are to pay tax at 10 per cent now. This will be creating a sort of problem. 'A' company distributes dividend by way of profit, it pays 10 per cent. 'B' Company, out of that, if it distributes the profit by way of divident again it has to pay 10 per cent. So it goes on in a circular manner. I would request the hon. Finance Minister to kindly consider this problem.

Now the dividend has been made tax free. But what about those persons who are purchasing shares with borrowed funds ?

They will have no deduction. Very often the share capital is contributed by borrowed funds. Again, one important thing on which I spoke on the last occasion also was the Minimum Alternative Tax. I had pointed out on the last occasion that the Minimum Alternative Tax would be a great dampner. The industrial development has been successful because there was 26 per cent growth in the exports industry when the earlier Congress Government was there. As a result of the . . .*(Interruptions)*.

MR. CHAIRMAN : Now, I will call the next speaker. You just conclude you speech by saying one last sentence.

DR. DEBI PROSAD PAL : As a result of the MAT, exports have dwindled to only nine to ten per cent. The Finance Minister has now given exemption regarding the export industry. This is only from the view of the Minimum Alternative Tax, That he has introduced what he was said, is namely to set off the MAT in the succeeding five years. That is an arithmatical acrobatics that may lead to certain. . . .*(Interruptions)*.

MR. CHAIRMAN : Kindly conclude now. Otherwise, may have to tell the Reporters not to record your speech. For Heaven's sake, please conclude your speech.

DR. DEBI PROSAD PAL : I submit that this Budget is fraught with very grave possibilities of an inflationary pressure. Coupled with that, the public distribution system, the food management and the food policy are not properly managed. The administered prices are rising. There is a rise in the oil price as well. Coupled with that, there is an increase in the railway freight. All these are fraught with very grave possibilities of an inflation. Today the rate of inflation is eight per cent and it will increase further.

I can only say that the present Government has inherited a legacy where the economy was vibrant of the introduction of the New Economic Reforms. For nine months, there was no momentum but now the New Economic Reforms have been accepted. But as a result of the difference in the views of the different political parties, there is a state of uncertainty because the Finance Minister himself has said that there is no reversal of the policy of liberalisation. Prof. Madhu Dandavate says *(Interruptions)*.

MR. CHAIRMAN : I will have to tell them not to record your speech new. Kindly conclude by saying one last sentence.

DR. DEBI PROSAD PAL : Sir there are many other speakers who had taken much more time. I am only appealing to you that I will be finishing my speech within one or two minutes.

As a result of the divergent views of the different political parties, there is a state of uncertainty. In the welter of confusions. this political uncertainty is mainly responsible to the sluggishness in the capital market.

With these words, I support the General Budget with many reservations.

SHRI AMAR ROY PRADHAN (Cooch Bihar) : Mr. Chairman, I lend my support to this General Budget with some reservations . . .*(Interruptions)*.

MR. CHAIRMAN : Shri Amar Roy Pradhan, there are many speakers and everyone will be given five minutes only.

SHRI AMAR ROY PRADHAN : Sir, I am the lone speaker from my Party. Kindly give more time .*(Interruptions)*.

MR. CHAIRMAN : You please start your speech. Please do not quarrell now.

SHRI AMAR ROY PRADHAN : Mr. Chairman, Sir. on the 28th February, when the hon. Finance Minister had placed the General Budget and when I was going out from the House, so many friends from the Rightist parties said that this is a Budget just on the lines of Dr. Manmohan Singh. Somebody says that it is a shadow of Dr. Manmohan Singh's Budget. I said that there is some difference because of the fact that Dr. Manmohan Singh's Budget is clearly finance and bureaucracy and Shri Chidambaram's Budget is finance and politics.

Sir, you know that Shri Chidambaram is a learned lawyer. Not only that, he is a Harvard University product also. And being a *Pandit* of economics, he made a very good exercise on the Budget.

For that reason, he made his Budget which has been balanced in between. It is balanced not between the poor and the rich but in between the economic students and the political expediency. I must say that it is a managerial Budget. It is because Shri Chidambaram is a big expert and he has a managerial degree.

Sir, Shri Chidambaram, in his Budget speech, mentioned that CMP is in his heart. CMP is his God; CMP is his Allah; and CMP is everything. I would like to ask whether he has gone through that part of God, Allah and Bhagwan. It is Swami Vivekananda who said;

"Jiver Daya Jekore Seijan Ishwar"

It means, he who serves people is the best sincere to God. I think, Shri Chidambaram did not have that learning.

SHRI SONTOSH MOHAN DEV (Silchar) : What 'learning' ?

SHRI AMAR ROY PRADHAN : Yes, Certainly.

SHRI SONTOSH MOHAN DEV : Why ?

SHRI AMAR ROY PRADHAN : If we go through this . . .*(Interruptions)*.

MR. CHAIRMAN : Kindly do not enter into an argument.

SHRI A.C. JOS (Idukki) : It is not correct.

MR. CHAIRMAN : You are losing your time.

SHRI AMAR ROY PRADHAN : Mr. Chairman, I do not know whether it is a taboo or a log-book. It may be taboo for the upper middle-class and the rich people, but it is a log-book for the poorer people of this country. What is their position ? I do not know who has said it, but somebody has said that there will not be any inflation. I say that it must be because of the fact that he did not mention about what would happen when he will have to accept the Fifth Pay Commission's Report. I do not Know what will happen then when the Oil Pool Deficit will come up ? It is about Rs. 17,500,000 crore. I do not know what will happen ? It is very much in the newspaper every day that price of steel could be hiked. If it is so, then there must be inflation. You cannot check it. If we go through the report, it is not a poor man's Budget. Where is the report ? According to

[Shri Amar Roy Pradhan]

the census data of the National Commission for Rural Labour, the percentage of agricultural labour has increased from 15.3 million in 1964-65 to 33.5 million in 1987-88. It means about 35 per cent of the rural population are agricultural labourers. Accordingly to the data, in 1981, out of 68.38 million people, 33 per cent were Scheduled Castes and 13 per cent were Scheduled Tribes. That means, of the total agricultural labourers, the percentage of Scheduled Castes and Scheduled Tribes comes to 46 per cent. What is their condition ? What is going on in our country ? They do not get work every day. After having done so much of work, from sumrise to sunset, they get Rs. 4 or Rs. 5. This is according to Das Gupta Committee Report. You know that. That was placed before the House when our hon. Speaker was the Labour Minister. He formed a Committee. That Committee's report is there.

What is the condition of the youth, particularly in the rural areas ? They are selling their blood for their livelihood. We should have some love for their parents. They are living a hand-to-mouth existence. But we have done noting for them. You are sponding so much of money here and there.

There is a Teesta Barrage Project. It started in the year 1976 and now it is 1997. For the last 20 years, the people have not been able to get water for irrigation. Even five per cent of the project has not been completed. It is the biggest project of our country. Had it been completed, 14.65 lakh hactares of land would have been irrigated.

About 10,006 Magawatt of hydel power will be produced and according to an expert in economics, 60 lakh metric tonnes were foodgrains would have been produced, more than 65 lakh mandays could have been produced by this project. But what is goint to happen ? The Central Government is not giving money. We have been demanding that it should be declared a National Project. We cannot call it a National Project. You will be astonished to know that the Government of West Bengal from its own limited funds spent Rs. 500 crore and the Central Government has spent only Rs. 100 crore so far on the project. Now, after this Indo-Bangladesh Treaty we hope to have good friendship with Bangladesh.

At the same time, in the same region, another project, the Sankoch River and Hydel Project is coming up in collaboration with the Bhutanese Government and the hon. Finance Minister is ready to spend – as it has been published in the electronic media and also in the newspapers – Rs. 7,500 crore for that purpose. But, what is the condition of the Tiesta Project ? It is álso in the same coastal region. The Central Government will be doing a great disservice to the environment. A tunnel of 200 km. has to be dug for the Sankoch Project and ultimately it will come up much later.

MR. CHAIRMAN : Please conclude. That Is why I had suggested that all hon. Members should go directly to their constituencies and the States.

SHRI AMAR ROY PRADHAN : In reply to a question on the 3rd March the hon. Minister of Irrigation said here in this House :-

> "We need not require the Tiesta or Sankoch River water for the augmentation of the flow of the Ganges. The Calcutta Port will be all right. The Farakka-Bakra canal will get at least 75,000 of cusecs of water in the lean months. So, 35,000 will go to Bangladesh and the rest will come up in this flow"

But here in yesterday's reply about Tiesta the hon. Minister said :

> "The detailed Project Report has been prepared by the Central Water Commission which has invited the construction of a dam across the river Sankoch for the generaltion of power of 4,000 Magawatt. A regulated discharge is also proposed for irrigation and other purposes in Bihar and West Bengal territories through the carving of a canal up to Tiesta Barrage."

MR. CHAIRMAN : Please conclude at least now.

SHRI AMAR ROY PRADHAN : I am concluding.

I do not know, but I would like to know very clearly from the hon. Minister why we could not complete the Tiesta Barrage Project which had been started long back in 1976 Twenty-one years passed away. It is in a backward area. The population of the three districts surrounding to consists of mainly Scheduled Caste and Scheduled Tribe people. The hon. Minister of Finance knows that area. He had been there when he was the Minister of State in the Ministry of Home Affairs. And does he know the condition of the people there ? As I said, mainly the population is of Scheduled Castes and Tribes and all the districts are backward districts. In this particular area one project could not be completed one another project is being started with more money. If the Tiesta Hydel Project is completed many opportunities will be there. It will generate more than 10,000 Megawatt of electricity. But in the Sankoch project for 4,000. Megawatt of power the Government is spending Rs. 75,000 crore. But for Teesta project you are not ready to spend more money to complete the project.

MR. CHAIRMAN : Please conclude Shri Amar Roy Pradhan.

SHRI AMAR ROY PRADHAN : Our country is still a poor country. The hon. Minister is not alone responsible for It. Some other people who are in power are responsible. The hon. Minister may please consider all these aspects and do something for the betterment of the poor people in this country.

[Translation]

SHRI R.L.P. VERMA (Kodarma) : Mr. Chairman, Sir, I have risen to criticise the Budget brought by the Government in the house.

While some pf my collegues called it a very good budget whereas some others termed it as a bad budget, I am of the view that it an anti-poor and pro-affluent budget. It is a piquent budget for the creamy loyer of the society. Well, one can say that it is for (English) Creamy and tasty budget for the creamy loyer people and not for the poors simply because it provides for higher prices of wheat, sugar, bidi and all other items of poor people's consumption but lower prices of all the items meant for creamy layer of the society. Mr. Minister, you should take into consideration the review and Crilicism made by us.

So far we have seen that during there fifty years of independence similar budget have had been brought with a view to see development of villages and all the times a jugglary of figures is made but the plans are not given a practical shape. It would be seen whether while implementing these schemes the funds drawn from the exchequer or the money received by way of foreign looms is being utilised properly or not. Though we have completed fifty year since independence yet there are lot of problems. Instead of speaking in detail on the schemes, better I should draw your attention to my area.

There are one or two such things in the budget which suggest that doors have been opened for the foreigners. It appears as if the budget has been prepared under the influence of GATT, Dunkel's Proposal and IMF and the World Bank. Due to this liberalisation and Globalisation the entire world and G-7 countries have made their market is India. The foreign goods have become Cheap here where as our country made good have no customers as there have become costlier. Therefore this budget is merely a means of letting in the foreign nationals and clearing ways for multinational companies to buy our companies. If the budget is based on such a policy then all industries of the country including the collage industry will be gradually liquidated. That is why a through review of this tendency is all the way necessary.

Today paper in the country . . .*(Interruptions)* not even two minutes have passed since I started speaking.

MR. CHAIRMAN : That's all, five minutes have passed. I allow you for one minute more, please conclude soon.

SHRI R.L.P. VERMA : This Is how we are seeing satellite invasion of our culture. Today the foreign channels have been given so many relaxations that though Rs. 50 thousand crores of this country is going to foreign countries, there channels are showing obscenely acting horses. This is how they are sabotaging our culture. This needs to be taken care of.

The custom duty has been reduced so much that foreign goods have become very cheap here. All the doors have been opened to facilitate in ports whereas our own exports item have become to cheap that our country made good can not complete with them in the market and this way one day our exports items will not find market for them.

Secondly, the Government has not contemplated formation of a separate Jharkhand state, neither they have formulated any scheme in this regard. The funds worth Rs. 444 crore released by the world bank under BPBP scheme will exhoust in their six months but so far this amount has not been utilised, rather bungling of these funds have been made. Fodder scam, land scam and bitumen scam has taken place in Bihar. The leaders of Jharkhand movement have sold themselves for money and have given up the issue of development of the region.

I want to say somthing about irrigation. Irrigation schemes are being implemented in our area. In 1973-74 seven important irrigation schemes were launched there but since then twenty years period has elapsed. Against the original estimate of Rs. 664 crores, the cort escalations have increased the estimate upto Rs. 1100 crores but even then these schemes have not been yet completed because still there is a shortage of Rs. 3200 crores. Not to talk of the Ninth Five Year Plan period, I don't think that these schemes would be completed up to 13th Five Year Plan period. These schemes can be completed if 75 per cent of this additional financial requirement is deposited with the banks as part of the estimated cost, otherwise these will await their compelation even after fifty years. This state of affairs have daubed all the bright-hopes of the farmers.

So far Rs. 88 crores have been spent on the Konar. Canal Project which had an original cort estimate to the tune of Rs. 11 cores only and still less than fifty percent work has been completed on this project. The Government should make a lumpsum release of funds for this project. The people are stoging Dharnas their and resorting to road jams. Similarly Son canal project which was banded 122 years back during the British regime have not been renovated till date due to which ten districts including Rohtas, Aurangabad, Palamu etc. are facing misfortune in want of irrigation facility. The entire area will be reviewed of the canon is not renovated in time. Similarly if Kaduan Reservoir Project, Durgavati scheme and Kanhar, scheme is not completed in time, the ten districts will suffer lot during floods. Urgent Attention should be paid to these facts.

[English]

DR. K.P. RAMALINGAM (Tiruchengode) : Mr. Chairman, Sir, I would like to say a few words about the Budget.

The Budget, 1997 is being discussed now. But this year it is not a mere formality. It is more than a Statement of Revenue and Expenditure. It is not just accounts and taxes. It has a vision and the promise for the future. The hon. Finance Minister, our leader, has presented more than a Budget. Rather he has done a magic. The magical changes towards prosperity are bright. The magical changes in the hearts of people have come. Even the critical critics of economic reforms welcome it. All the more surprising is that it is considered as the 'Budget of the decade'.

The economic liberalisation process began to unfold in 1986-87 and it is nearly fulfilled in 1997-98. That is why our Finance Minister is praised by all. The poor, the farmer, the office-goer, the corporate man, the rich, the exporter, the importer, all are happy now, After seeing this wonderful Budget, the Opposition had become speechless. Even the hon. Leader of the Opposition, Atalji cannot find the right words. He says that this year's Budget is like a rose and it may have thorns also. We all know that great things come with pain only. Thorns in rose plants are known but people also know how to avoid thorns. People will always enjoy rose. So, Atalji cannot compare this Budget with anything else.

A rose is a rose, by whatever name it may be called.

21.00 Hrs.

Sir, this is a great floral tribute to the growing great Indian economy. Our hon. Finance Minister has done it. This is the first full-fledged Budget of the United Front Government by my elder brother.

SHRI SONTOSH MOHAN DEV : Elder brother ?

DR. K.P. RAMALINGAM (Tiruchengode) : Yes, he is my elder brother.

The people of India wondered and the whole world wondered. They were wondering as to how a Government of 13 or 14 Parties can function and they wondered as to how can they give a good Budget. Through our hon. Finance Minister we have got what was considered impossible. I may mention that not only the people are happy but all the parties of the Goverrment are also happy. The D.M.K. has achieved its ideal goal. The goal it wanted to achieve was 'State autonomy and more power to the States' and it becomes a reality now. Whenever the D.M.K. played a role in the formation of a Government at the Centre, the D.M.K. has always fulfilled its duty. In the Seventies Shrimati Indira Gandhi formed the Government supported by the D.M.K. . . .*(Interruptions)* The banks were than nationalised and the people got access to money power. In the Eighties when Shri V.P. Singh formed the Government supported by the D.M.K., the report of the Mandal Commission was implemented and the people got access to political power. Now, in the Nineties we formed the Govenment and our Shri P. Chidambaram became the Finance Minister and our leader Shri Murasoli Maran became the Industries Minister. The people got the status of economic power . . .*(Interruptions)*.

Sir, February 28, 1997 will become a gold-lettered day in the history of the modern Indian development. It is like a magic. How could he do that magic ? The world wonders. The people of India are now praising the hon. Prime Minister and the hon. Finance Minister. This is the time of the people.

MR. CHAIRMAN : Dr. Ramalingam, please conclude now.

DR. K.P. RAMALINGAM : At a time when hope was needed the Budget for this year gave it. The inflation was feared to be doubling and the G.D.P. was said to be declining and the deficit was pointed to be widening. At one stroke the trend has been arrested and our economy has been restored. The poor people are happy. The prices of essential goods are not shooting up. The middle classes are happy. The consumer goods are priced less. It is unusual. The corporate sector and the Income-tax payers are relieved because the direct tax structure is widened and the tax rates are reduced. The joy is seen not only in India but in the whole world. Suddenly the Indian economy, one of the ten growing economies of the world, has become attractive. The investors are happy and India becomes now competitive. Economy has been stimulated. Hope has been restored.

More financial powers to the States is a long-pending demand of the D.M.K. What the D.M.K. wanted all along is now here. Our beloved Finance Minister has given a shape to the dreams of the D.M.K. He has indicated that all the financial revenues and all the Union revenues will be rationally shared by both the Centre and the States.

MR. CHAIRMAN : You will have to conclude now.

DR. K.P. RAMALINGAM : All the Parties in the Union Government appreciated the Budget presented by the Finance Minister. He also understands the sentiments of the market forces. That is why the stock index is rising up. The corporate sector is happy. That the promises unfailing tax revenue.

The cut in excise and customs duty makes the business community hopefull. The consumer goods are reachig the masses at a lesser price. The social sector gets due attention. The reform measures coming slowly are now pouring down; but still it makes people happy.

The West watches "the rising Sun" from the East. This year's Budget is something to everybody. It gives everything to every sector of the economy. The liberalised economy regime promotes exports and removes the restrictions on the imports.

The agricultural sector will also get a boost now. The competitive edge given to the Indian Industry will result in the growth of exports. While taking care to boost exports, the hon. Finance Minister may kindly look into the needs of the agro-products sector.

The International Monetary Fund has states that India has opened up its agro-economy . . .*(Interruptions)*.

MR. CHAIRMAN : Dr. Ramalingam, this may be the last point. Please conclude.

DR. K.P. RAMALINGAM : Sir, I am now coming to the problems faced by the people, So far I have been praising the Government.

MR. CHAIRMAN : Please conclude in one minute.

DR. K.P. RAMALINGAM : Yes Sir.

Cotton and jute are getting a boost. The foodgrains are already promoted. It should be extended to some of the so-far banned items also.

Spices, herbals and wild fruits from our forests must earn foreign exchange. Other forest wealth like Sandalwood need not be banned from being exported. I would like to point out that the ban on Sandalwood exports cause huge loss to our country. I would like to give some suggestions for improving the economy. The Finance Minister may consider imposing additional tax on mineral water. They are exploiting the country. The industry is flourishing. So, he can impose additional tax on mineral water.

Even the prophets of doom agree that the Budget proposals will have better results. They only seek shelter under the 'its' and 'buts'. Our Finance Minister will only prove them wrong. They say that he has taken a risk. But it is a calculated risk. We call it a bold decision. Boldness and correctiveness are there in the Budget. We welcome and support the Budget. It is a feather in his cap. It is a crown to our country. Our famous Tamil Saint Thiruvalluvar said :

"Idhanai Idhanal Ivanmudippan Endraindhu
Adhanai Avankan Vidal".

It means : "Find him, who can do a thing in the best way, and give unto him the power to do that thing".

The people have given the power to our Finance Minister. He did it very well. We take our hats off. We all welcome it.

SHRI BIJOY HANDIQUE (Jorhat) : Mr. Chairman, Sir, I rise to support the Budget, however with some reservation. I however start with kudos.

At the outset, the Finance Minister referred to a situation in which regional parties and certain parties with national presence coalesce. Without going into the merits and demerits of the regional parties, what I would emphasis and appreciate is, a due recognition of the regional aspirations, for a place in the sun and in the map of national development this is the essence of federal polity. Involvement of Chief Ministers through the Inter-State Council and National Development Council for a consensus while evolving the broad trends of the Budget should be an abiding feature of governance.

When I come to the question of agricultural development, my appreciation is rather mixed. The Finance Minister rightly emphasised the concern for the cause of agriculturists. He does not support his concern with adequate funds. For instance, the Central assistance for completion of irrigation projects has been only marginally enhanced. In irrigation and flood control, there has been a sharp reduction from Rs. 1,248 crore to Rs. 323 crore. So, how can the farmers increase their production ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : It means that you are not reading it correctly. I have myself explained or Shri Janeshwar Mishra has already explained that last year AIBP funds were put into Central Plan. This year, that money is being put into State Plan. Therefore, this money will not be shown in the Central Plan. It may appear to be a reduction, but look at the State Plan, there is an addition of Rs. 1,300 crore.

MR. CHAIRMAN : May I request the hon. Minister to respond to such matters at the time of reply ?

SHRI P. CHIDAMBARAM : Normally, I will not interrupt. But this should not appear in the Press tomorrow that there is a sharp reduction . . .*(Interruptions)* I am not interrupting.

MR. CHAIRMAN : I did not say that you were interrupting.

SHRI BIJOY HANDIQUE : There are hundreds and hundreds of breaches in the river Brahamputra and its tributaries exposing the life and property to danger and even turning large, green fields into deserts because the flood water carries heavy and deposits and we do not see

[Shri Bijoy Handique]

any hope. I do not know what the hon. Finance Minister has explained, but he has just *interrupted. If he has really provided money in the State Plan, their we think that there should be an end to these problems.*

If it is so, I do appreciate that. If it is not, our demand persists.

As a matter of fact, the increase in the Central Plan is rather small and there lies the cause of this deficiency. The Central Plan outlay for the year 1997-98 amounts to Rs. 91,839 crore, as against Rs. 87,088 crore in the year 1996-97. What is most glaringly strange is, the step up in the outlay for rural development is only Rs. 171 crore.

Sir, now I will tell you why I have some reservations. The present Budget has been called by some critics as anti-poor or pro-rich. Well, I do not call it anti-poor but pro-rich yes, it is. If we consider the massive rash of give-always, it is nothing but an essay to keep the articulate section of society in good humour. There is not a single segment of vocal upper class that has not benefited and the benefited and the benefit goes substantially to the non-salaried rich. These concessions would cost not less than Rs. 5,000 crore. If one section is really happy it is the corporate sector. With a reduction of corporate tax by 5 per cent and the abolition of surcharge by 7.5 per cent, *viz.* a relief of 12.5 per cent. The minimum that the Finance Minister could have done is to bring down the corporate tax in phases. But he wants the corporate sector to benefit at one go.

Sir, no wonder, that there is a shortfall of nearly Rs. 10,000 crore, mainly in the sectors of rural development. social service, education, agriculture, irrigation, flood control, energy and transport. All these sectors directly affect the livelihood of the vast majority of our people.

And, as if the bonanza for the rich is not enough, an amnesty for tax-evaders has been announced. Amnesty schemes have, invariably, failed in the past. Money collected from such schemes have been paltry. Besides, such schemes have sent wrong signals to the offenders of law, leaving the honest and law-abiding citizens disgruntled. Such schemes have put a premium on dishonesty. We should year in mind that black money is a state of mind that simply defies the authority of the State. After all, taxation is an intensely moral proposition. The right of the State to Impose and collected taxes is most basic to its legitimacy and is carried with a sanction to punish those who refuse to submit to the legitimate authority.

Sir, before I conclude, what I would like to say that we need to address a basic question. Where would the Finance Minister get the funds needed to finance the reliefs ? The reduction of nearly 20 per cent in corporate tax may prove to be a gamble, unless the corporate sector, as a whole, registers higher profits. Experts have estimated that the tax proposals, as a whole, may result in a loss *of revenue of about Rs. 10,000 crore* after adjusting 10 *per cent tax on distributed profits.*

The implementation of the recommendations of the Fifth Pay Commission will mean an expenditure of Rs. 11,320 crore. The interest payment in 1997-98 will go up to Rs. 68,000 crore. Will such a volume of Non-Plan expenditure allow the Finance Minister to maintain the fiscal deficit – GDP ratio at 4.5 per cent in 1997-98 ? Thus, the assumed high growth, too, cannot be taken for granted. There are several factors that could cause growth to stumble, thereby upsetting the Finance Minister's revenue-gathering ambitions.

The most obvious of these is the deficit in the oil pool account which may be outside the budget but not outside the economy. The current situation of mounting outstandings from the oil pool account has forced the oil companies to increase their borrowing substantially and is not sustainable for very much longer. If this results in higher prices of petroleum products, it will eat into the resources which the companies could have generated from the tax concessions thereby affecting investments.

A spurt in the prices of petroleum products could also have an impact on the capital market. so, a closer look at the estimates show that there is a great deal of wishful thinking. It depends upon so many 'ifs' and if all the 'ifs' fall in place and work our harmoniously. We do not know what mystery the hon. Minister has for us. I wish the Finance Minister the best of luck. He appears to have been pipe dreaming. Thanks to the ban of Delhi Government on smoking.

MR. CHAIRMAN : Shri P. Theertharaman.

SHRI P. THEERTHARAMAN (Dharmapuri) : Sir, . . .*(Interruptions).*

MR. CHAIRMAN : Have you given notice to the Secretariat that you will speak in Tamil ?

SHRI P. THEERTHARAMAN : Yes, Sir . . .*(Interruptions).*

MR. CHAIRMAN : I think the translator is not there. We will arrange the translator. You please speak lator on.

Shri Alagiri Samy.

SHRI SAMY U. ALAGI

speak in Tamil.

MR. CHAIRMAN : But

is going to be called. When

be available if he has bee

Lt. General Prakash Mani Tripathi.

[Translation]

LT. GEN. (Retd.) PRAKASH MANI TRIPATHI (Deoria) : Right since yesterday I waiting to get a hearing from you. I will speak on three points. In para 92 there is a mention of voluntary Disclosure Scheme. You have got two things from the leftists. The first, this very thing and the second thing in P.D.S. but in this matter their contribution has been very negative. [Translation] This is not an ethical question but it is bad economics. I think this will not put an end to black money. rather it will encourage generation of black money. This will not help in settelment of economy. We are strongly opposed to it.

Secondly, the increasing imbalance in various fields and in economic development needs to be taken care of. Adequate provision have not been made for the farmers in the budget. Majority of our people are engaged in the fields as farmers, therefore with their development the backward agricultural areas will also flourish. I want to make you aware of the fact that we depend on the monsoon. We had good monsoon during the last seven years. If in any year monsoon fails to turn up, then the entire economy will go to dogs despite all the money and all the resources being in our disposal. Please considor this fact because as I have seen, very meagre amount has been allocated for the advancement of farmers.

I want to invite your attention towards eastern UP and the areas of Bihar where, every second day we hear that sritenings or some other odd things are talking place. You have not evolved any such economic regime as may improve the condition there which is worse than the conditions prevailing any where else in the country. You should sense caution from this state of affairs. Acounting which was once producing abundant food grains and contemplating exports there of is now resorting to imports because there has not been any growth in the agricultural yield which is a matter of grave concern. You should pay a special attention to this fact.

I would like to mention one more point that Rs. 1796 crore were allocated for agriculture in 1980-81 and Rs. 1995 crore during 1994-95 even then the agriculture production declined by 60 lakh ton. It is quite harmful and it seems that we are returning to the age when PL-480 was imported. We will not be able to improve our trade position or develop industries even in spite of making huge investment, if such a situation arises in the country. You have not suggested any measures for removal of imbalances created in coastal areas and Beaches.

Mr. Chairman, Sir, now I would like to speak for five minutes on the subject of Defence budget which has not been taken up by anyone.

MR. CHAIRMAN : Only 5 minutes were allotted to you then how you have allotted five minutes for yourself now.

LT. GENERAL (Retd.) PRAKASH MANI TRIPATHI : The MPs who were allotted 26 minutes have spoken for 47 minutes.

MR. CHAIRMAN : Please say your point in brief.

LT. GENERAL (Retd.) PRAKASH MANI TRIPATHI : I am saying my point in brief.

Hon. Minister of Finance is not briefed correctly on matters pertaining to Defence. You are getting information by the Ministry of Defence and not the defence forces. Since 1988 defence budget has declined by 21 percent. I thank you for providing funds for defence budget but at the same time I would like to tell about this decline which cannot be improved in one or two budgets. You should keep in mind the position of defence forces in 1962 which improved a little bit upto 1965 and improved further in 1971. We are proving 2.4 percent of G.D.P. for defence whereas in Pakistan this ratio is 7 percent and in China it is 8 percent. I do not demand to raise it upto 6 or 7 percent but please try to provide 3 percent of G.D.P. in two or three budgets because the defence forces have a huge amount due on themselves and special measures should be taken for improving it. In the end I would like to say that report of the Fifth Pay Commission is yet to come and it has already mentioned that it has lowered the morale of defence forces. I am saying it for your information because the very bueaucrates who were members of the earlier committee are also the members of the new committee formed for implementation of recommendations of its report. I feel that justice will not be done for Indian defence forces. Therefore, I request you to pay attention towards it.

Mr. Chairman, Sir, I oppose this budget as it is anti-farmers and anti-poor.

[English]

SHRI V. PRADEEP DEV (Parvatipuram) : Mr. Chairman, Sir, I would like to say that a good look at the Budget 1997-98 brings me to a position from where I can say that though the hon. Finance Minister kept in mind that the world was waiting for India's Budget, he forget that there were teeming millions and starving thousands also waiting for the Budget, and they, Mr. Chairman, are all Indians.

I shall base my observations on the Budget under five broad categories only :-

First, I come to benefits from tax cuts. This area

[Shri V. Pradeep Dev]

appears to be, for all practical reasons, the chief characteristics of the Budget. There has been a reduction in tax for all income groups. Yet one cannot overlook the fact that the higher income slab benefits most from this provision where a person earning Rs. 5,010 per month will pay a tax of approximately Rs. 8.30 per month as compared to Rs. 12.50 per month previously which is a pathetic increase of Rs. 4/- p.m. in saving. On the other hand, a persons with an income of Rs. 25,000 per month shall save about Rs. 2,300 approximately per month according to new provisions of tax cuts. This amount is 575 times more than a person in the lower income slab. The yawning gap between a person in the lower income slab and the person in the higher income slab undoubtedly shall stretch larger than the face. Is this what progressive taxation envisages ? Well, the hon. Finance Minister seems to believe that it does. Mr. Chairman, Sir, kindly note that I have not considered the statistics in case of people earning much more than Rs. 25,000 per month.

Secondly, I come to the Voluntary Disclosure Scheme. This scheme envisages the same rate of conversion of black money irrespective of the amount which means that if a person misappropriate thousands is paying at the same rate as compared to someone who has millions stacked away. As if inequality resulting from tax cuts was not enough that such discrepancies too have to be accepted by the people. This scheme further cheats the honest tax-payer who realises that if he had not paid tax earlier at 60, 50 or 40 per cent, he could hoard and now pay at a more 30 per cent. This does need a strong digestive system to digest.

Thirdly, I come to social spending. These tax measures, as discussed already, affect not even five per cent of the population. For the 95 per cent, the fact which glares before us is that the United Front Government has spent Rs. 10,000 crore, less than the amount provided by the Finance Minister, on development in the Budget of 1996-97. In fact, the areas of social expenditure have not received any major filling, I mean , the targeted area under social spending as reflected in the Budget is rural affairs and employment. However, the amount allocated shows an increase of Rs. 1,200 crore compared to the revised estimates of the previous Budget. In fact, the increase is just Rs. 700 crore when compared to the budgetary estimates of 1996-97.

This is one-fifth and one-seventh of the amount saved by the rich in terms of tax concessions.

About inflation and related aspects, the deficit in the Oil Pool Account which was around Rs. 5000 crore when the UF Government came to power has now increased to Rs. 15,000 crore. The possibility of the Government resources filling the gap appears a rarity. Therefore, an increase in oil prices is on the cards which would translate into increease in rate of inflation. This will also affect the cost of industrial production and many other areas. If such a trend sets in, then the apple cart of the present budget will be hampered and hindered seriously.

About exports and imports, the export growth rate has come down from about 20 per cent to about six per cent now. The import rate has sunk from 25 per cent to about four per cent, if oil imports which make 41 per cent of the imports are excluded. The budget does not provide any such confidence boosters which can lead to high growth rates in export and import.

Apart from these, there are many areas in the Budget which will experience implementational difficulties like the Revamped Public Distribution Scheme where in procurement could become difficult and rise in prices could just be what the doctor ordered for.

Another aspect to be highlighted is the desire to match up our tax rates with ASEAN countries. How about first matching up our literacy rates, health and medicare facilities with them. It appears that the UF Government is placing the cart before the horse. Our policies have to be compatible with our realities and our development has to be truly ndian. Running behind mirages has not helped anyone. It is time we grew inwardly outward rather than outwardly outward. There is no point in wearing the garb of globalisation to hide nakedness. We have to cut our own cloth first.

Conclusively, I feel the hon. Finance Minister has taken an escalator to go upwards without realising the cost of it, or may be he wants it at all costs.

SHRI P. THEERTHARAMAN (Dharmapuri) : Hon'ble Chairman, I thank you for providing me with an opportunity to take part in the discussion on the Union Budget 1997-98 that has been taken up in this August House. We are now celebrating the Golden Jubilee of our independence. So many Finance Ministers have presented Budget in this House. But our Finance Minister is different from them and hence he has presented significantly praiseworthy a Budget. All those Finance Ministers were from parties that have had either absolute majority or the status of a single largest party. They were able to present their Budget in consultation with economists in their respective parties. But the Government of the day is a different one of its kind. Thirteen different parties which have their own policies and Ideals have unitedly formed a Government at the Centre.

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*Translation of the speech originally delivered in Tamil.

As this is the need of the hour, in the interest of the nation they have come together and have formed a Government with the support of Congress from outside. Every party has spelt out its permissible ambit. Within that framework the Budget has been prepared. In his own way, as an able administrator with his capability and menal skills, our Hon'ble Finance Minister has prepared the Budget himself. He is an honest person with integrity and he has put in his efforts to prepare a unique budget which is significant in so many ways. He has created a history and carved out a niche for himself.

Ithanai Ithanal Ivan Mudikkum Yendraainthu

Athanai Avankan Vidal

That was the saying of the great Tamil poet saint Thiruvalluvar. He said that a thing that has to be done has to be weighed, then the capabilities of the person who can do it should be weighed and then alone that thing should be entrusted with that persons to be completed as desired. Now we find a dynamic person like our Finance Minister has been entrusted with that responsibility to prepare and present a Budget that will decide the destiny of about 90 crores of people living in our India.

The credit for this choice of a Finance Minister should rightly go to our able leader Thiru. Moopanar who is an avowed disciple of our great leader Late Kamaraj who stood for simplicity and integrity in public life. Now I would like to thank Moopanar in whom we find our great leader Kamaraj. It is my duty to place my deep felt gratitude on record now at this hour.

I am neither an economist nor a financial expert to analyse and to pass on comments about the positive and other aspects of this budget. We find our Union Finance Minister being praised and congratulated by almost all the Indian economists. Western scholars and economists are also appreciating the budget. Financial experts from all over the world praise the budget.

That is why this budget could give a new direction to our economy. It is lauded as a budget conceived with a vision. These words of praise come from the deep of my heart. I welcome and support the budget wholeheartedly.

Even the opposition could not find fault with this budget and they said that this budget has been prepared with the elections in mind. That way, they have accepted that it is a people's budget. I am proud and happy to point out this. With a budget for Rs. 2,32,171 crores, it has been sought to develop the infrastructure. This aims at providing safe drinking water to villages. The Ganga Kalyan Yojana is intended to tap the gound water and surface water potential. Prominence given to girl child education is evident from the Kasturba Gandhi Shiksha Yojana. Social sector gets an increased allocation to the tune of about Rs. 4000 crores. Urban Development schemes are to get Rs. 775 crores more than last year. Rs. 1189 crores more than the last year's allocation has been made for education. Vocational training and education gets Rs. 132 crores more. Drinking water and sanitation has been allocated Rs. 312 crores more than last year's. In order to implement the Fifth Pay Commission recommendations Rs. 4705 crores have been kept apart. Government employees are welcoming the budget for this. The industry and the business world welcome the encouraging aspects of the budget. Labour class also welcome the budget that aims at improving their lot. The monthly salary earners are happy about the reduction of income tax rates. They breath a sigh of relief.

Balance of payment position is satisfactory. The foreign exchange reserves with us are adequate. In order to bring in modern technology imports get reduction in customs duty. India's economy gets a proud place in the Asian region. The world is watching us with amazement. In his budget speech Hon'ble Finance Minister has spelt out the scheme of things to come as regards to the sharing of Central revenue with the State Governments. The proposed increase in allocation for the States make us feel happy.

The educated, the commoner, the journalists, entrepreneurs, labourers and trade unions, all of them appreciate this year's budget. Foreign investors are also pleased. Socialists and even communists praise the salient features of this budget.

We would be failing in our duty, if we do not appreciate a budget fully qualified to all praise. I have certain requests to make on behalf of the people of my home state Tamil Nadu. Our Finance Minister who performs excellently well in the national interest may kindly note that the Central investment in Tamil Nadu had drastically come down. Most of those PSUs that are there in Tamil Nadu came when Pandit Jawaharlal Nahru was our Prime Minister. Budgetary support for various ministries to carry out their functions in Tamil Nadu have also come down heavily. It is either negligible or nil now. Tamil Nadu is now receding and it is regression now. I humbly request the Hon'ble Finance Minister to look into this disparity and the widening gap, and do the needful to invest more in Tamil Nadu.

Sethu Samudram project is pending for a long time now. Even before independence, our national poet Mahakavi Subramania Bharathi referred to it as his dream project that must come true.

As far as Railways are concerned, when we compare other States with Tamil Nadu much of changes have not

[Shri P. Theertharaman]

come about. Funds allocation for Railway projects in Tamil Nadu are meagre. As far as Tamil Nadu is concerned road development is a crying need. The highways have been ignored and are in poor shape. Even the National Highways are not good and it becomes tedious to travel more than 30 kms. at a time. Traffic on the highways is on the increase due to multifold cargo movement.

Madras-Bangalore, Madras-Kanyakumari, Madurai-Krishnagiri, Salem-Coimbatore Highway should be converted to have a facelift with 4-lane roads.

MR. CHAIRMAN : Please conclude.

SHRI P. THEERTHARAMAN : Sir, this is my maiden speech.

SHRI P. CHIDAMBARAM : Sir, he may be given some more time.

MR. CHAIRMAN : This is his maiden speech.

SHRI P. THEERTHARAMAN : At the time when I congratulate the Finance Minister for the good budget he has presented I have certain submission to make as the grievances of the people of my constituency. I am expected to represent the case of the people who have elected me. I know that you will appreciate my sense of duty to take up the cause of my constituency.

Of course we have had enormous growth ever after our achieving independenece. Let us also look back. The economic disparity and inequality is prevalent. The poor become poorer and the rich become richer though they are few. Lakhs of people suffer the pangs of poverty. They have to fend for themselves even without a livelihood. They are in continuous search of it. They do not have roof. Without shelter and clothing and food and they have problems. They are not able to get health and sanitation facilities. They do not get education.

The village folks look forward to the 20 kgs. of rice provided to them through the PDS every month. The foodgrain that cost about Rs. 100 is their montly food supply. At the same time the well to do spend about Rs. 100 for a cup of coffee. This is also there in the society. The money spent by the rich to stay in a class hotel would suffice the need of a poor family to construct a house to live for generations together. Thus our economy enables a certain section of the society to accumulate wealth. This inequality must go and economic equality and parity must come.

Our great leader Kamaraj said that Gandhiji's dream could come true even if poor could have a roof enough to provide shelter, cloth that is not torn and rice water that is not cold. Even if these could be provided it could be a great social change now. I would like to point out that certain sections of the society live without these minimum things even.

My district Dharmapuri is the native place of the great scholar Rajaji. The great freedom fighter Subramaniam Siva who spread the flame of freedom passion died here. Despite the fact that we have got historical associations, our district is still a backward one. I request the Finance Minister to go in for setting up industries either from the public sector or from the private sector.

Black stones that earn considerable foreign exchange are exported from our district. They are sent to destinations both within and out of the country. The district that benefit the country's exchequer through the export of these granites has been left high and dry. You must improve our district so that it may be like other districts if not equally well off. So I request you to give us at least a small percent of royalty from the export earnings from our district. Sandalwood trees that could earn more of foreign exchange grow in our district too. Smuggling and illegal felling should be controlled. Effective steps in this direction should be taken.

People in desperation look forward to the doles like concessions, grants, free meals, free dhoties and sarees. Such a situation can go only when we create an atmosphere to enable them to earn their own livelihood and stand on their own legs. Your clear and dynamic thought could usher in a better era where people would gain enough of self confidence to support themselves and meet their needs.

National poet Subramania Bharathi said,

Ulagam Samanilai Pera Vendum

Uyaruu Thalvila Nilai Vendum.

It menas :

The world should ensure equality to all in toto.

And disparity should not have any further scope.

I wish the economic policies of our Finance Minister ensure the levelling of ups and downs in life. I hope he could bring in equality. I believe in his skill and intellect to do this. With this, I conclude my speech once again expressing my support to the budget.

SHRI ISWAR PRASANNA HAZARIKA (Tezpur) : Mr. Chairman, Sir, at 9.45 p.m., this Is peak TV viewing time. So, I am tempted to use T.V. language to beg-in my sppech . .*(Interruptions)*

MR. CHAIRMAN : It is 9.43 p.m. now.

SHRI ISWAR PRASANNA HAZARIKA : Sir, In TV soap opera terms, this Budget is 'bold and beautiful'. But 'beautiful' only for the vocal opulent minority. This Budget has been prepared for the 'rich' by one who became 'famous' after the Budget was presented. The cup of eulogies is full to the brim, especially after our hon. friend from the DMK Sang Parans to the hon. Minister of Finance, leaving no scope for me to add to the accolades.

[MR. DEPUTY SPEAKER *in the chair*]

21.44 Hrs.

This Budget has many heartening features but due to limitation of time I will not be able to refer to many of them. But one aspect of the Budget is, as stated by many of the critics, the high risk taken by the hon. Minister of Finance by effecting drastic cuts in taxes and duties. At the same time, expecting that revenue collection would go up by as much as 17 per cent, this so-called 'Laffer Curve', may not work in the complex Indian situation beyond a point and the high revenue expectations may not be achieved.

Therefore, this is the risk which has been taken. Dr. Raja Chelliah says that risks should be taken at times. But, he thinks that, this risk taken by the Minister of Finance in this Budget is not justified as it concerns the fortune of the nation. The Minister of Finance has sworn by the Common Minimum Programme which, he said, has inspired his Budget. Therefore, I would like to draw his attention to some of the items in the Common Minimum Programme which have not been addressed in the Budget as adequately as was expected.

The Common Minimum Programme refers to 'Special plan to develop infrastructure in 100 backward districts'. Nothing has been done on this score. Then, it was said that they would channel money collected out of disinvestment of PSUs to health and education. This has also not been adequately addressed. Now, it also talks about increasing the investment in the infrastructure sector from four per cent to six per cent of GDP. The amount provided this year does not give us the confidence that he would ever be able to achieve this because he is leaving the Infrastructure entirely in the hands of the private sector and the Government has almost washes its hands off.

With regard to education, the Common Minimum Programme says that by the year 2000 A.D., six per cent of GDP will be devoted to the education sector. But this year only Rs. 1182 crore has been provided which does not give us any hope that Rs. 70,000 and odd crore that would be needed by the year 2000 A.D. would ever be provided.

Then, it is said that 'fiscal and other measures would be taken to discourage MNCs from low priority areas. But what we find in this Budget is that even ice cream and biscuit making has been opened to the large sector, including the MNCs.

Sir, every Budget must make expenditure control as one of the paramount objectives. Due to paucity of time, I will not go into many aspects. In the last Budget Finance Minister made a promise, he made a commitment that he would form an Expenditure Management and Reforms Commission. In the present Budget speech, he said that he could keep all his commitments in the Budget. But he further says : "One commitment that I have been unable to keep is to set up an Expenditure Management and Reforms Commission. I failed because I wanted a 'A' team and I was not content with the 'B' team. Key Members of the 'A' team are in this House and in the Rajya Sabha and they still elude me". Now, Sir, we do not know how many Members of Lok Sabha and Rajya Sabha the hon. Minister of Finance has sounded. I have asked a very large number of Members of Parliament from both the Houses whether they were approached to participate in the Commission. Many of these people of very great talent and ability. But from the statement it appears that the hon. Minister of Finance has regarded them as 'B' class or even inferior. This is an affront to the talent and capability of these members of the two Houses of Parliament. To brand such a large majority as not fit for the 'A' team means that they are good enough only for 'B' or 'C' or 'D' teams. This tantamounts to denigration of both the houses.

SHRI P. CHIDAMBARAM : I am sorry for two reasons. The first reason is more important. I am sorry that my learned friend does not have a sense of humour. The second reason is, the promise was that distinguished political leaders, administrators and economists will be part of the Expenditure Management Commission. When I said that I could not find Members for 'A' team, I did not mean that nobody was available. But I said that distinguished political leaders who ought to be on the Commission still elude me and I am trying. There are economists, there are administrators and there are many eminent Members. I am deeply distressed that a Member of his eminence should not have a sense of humour and should not have a sense of proportion about what I have said.

SHRI ISWAR PRASANNA HAZARIKA : Well, in the Budget speech, he has said that the key members of the 'A' team are in this House and in the Rajya Sabha and they elude him which means that those people whom he has adjudged as 'A' grade, are people who are eluding. This can only have one connotation.

MR. DEPUTY-SPEAKER : Please leave this controversy.

SHRI ISWAR PRASANNA HAZARIKA : He has failed to do anything in terms of control of expenditure of economy of expenditure. Today, the interest payment amount to Rs. 68,000 crore as against the fiscal deficit of Rs. 64,000 and odd crore, which means that we will be borrowing to pay interest. This is a very precarious situation. Therefore, control of expenditure is an essential requirement. Today, in the Government, there is a lot of wasteful unproductive expenditure and it is very important and this would be a very excellent idea to form or constitute this Commission. There is no dearth of talented people, not in these two Houses, as also outside the country; and there cannot be any plausible possible excuse for not constituting the Commission.

I would now like to say something about the oil pool account. This Budget is not complete because it makes no reference to the oil pool account deficit. The deficit has crossed Rs. 16,000 crore. May be, by the end of the current fiscal year, it may be Rs. 17,000 crore or Rs. 18,000 crore or Rs. 19,000 crore, So, there may be a hike of petrol later on. But would it be so massive that it would take care of the future differentials anticipated as also the outstanding amount ? If this is so, then that would be disastrous for the country, mainly for the poor; and if the hike is not to be so massive then what is if that we are going to do ? Are we going to reduce the import duties on petroleum or are we going to change the retention price formula for the refineries or some other measures ? What is it that we are going to do ? Some reference has got to be made in the budget. Otherwise, eventually, if this is to be met by – Wholly or partly – by Budgetary support, this is going to increase the deficit; and we would be faced with an unbearable inflationary situation.

Again coming to inflation, the hon. Finance Minister did make a reference to inflation. But we do not find any measures being discussed adequately to dealt with it in this Budget speech. Now, we are having this 12 per cent hike in freight rates and he has also imposed a five per cent transportation tax. There is going to be an adjustment of prices to balance the oil pool account. All this is going to add to the prices and we may not be able to hold the price line. Again, we have the monetised deficit of Rs. 16,000 crore and we are going to bring currency notes worth Rs. 16,000 crore, which would add fuel to inflation. On top of this, we have the Treasury Bills which may not sell in the market, in which case, we will have to print more notes.

Therefore, the inflationary situation is definitely there with us today. In this context, I would like to make a reference to the comments of the IMF Chief, Mr. Michael Camdessus. He has said that there is a risk of shortfall in revenue because of lower tax and expressed concern about the inflationary rate moving upwards. He has stated and I quote :

> "In a country where poverty is pervasive the first measure has to be to curb inflation. Reduction in deficit of both Central and State Governments as well as the oil pool account was necessary to check inflation and prepare the ground for capital covertibility".

This is a very sound advice. But will we, who have been wooing the IMF and the IMF Chief – chasing him up all the way to Goa during his holidays – would be heeding to his advice ?

And I feel that we should pay heed to his advice and do the needful even at this late stage.

Another thing which I would like to refer to is the Voluntary Disclosure Scheme. I do not want to make any comment on the merits or demerits of the Scheme but there are reports in the press that the Finance Minister has taken certain business men into confidence who had indicated that If a liberal amnesty scheme is introduced, then they would bring back all the moolas from wherever they have hidden it and disclose it under the Voluntary disclosure Scheme. Now if this has happened – I hope this has not happened – then it must be called unethical and ethics must remain as inviolate and inviolable principle or basis in the formulation of public policy. If this is not true, I hope the Finance Minister would contradict these reports at the earliest opportunity. Sir, in the football matches there is injury time.

MR. DEPUTY-SPEAKER : I was told that every Member will speak for five minutes. But you have spoken for ten minutes.

SHRI ISWAR PRASANNA HAZARIKA : We are as good as injured waiting so late. So, some more time should be given as in foot ball matches.

Coming to my last point, I would like to speak about the North-East as I come from the Region. The hon. Finance Minister has made references to the regional parties and constituents of the United Front and therefore, it is for him to usher in an era of economic federalism and consistent with that kind of an objective, more attention should have been given to the North-East. He did make a reference to the Prime Minister's package and that he is providing Rs. 100 crore for the Numaligarh Refinery. I appreciate this gesture. But I want to know whether the package that was announced in October by the Prime Minister would form part of the Ninth Plan over and above the normal size of the Plan for the North-East. If it is a part of the normal Plan size, then there Is nothing extra that the North-East would be getting from the package, Therefore, as far as the North-Eastern States are concerned, I would like to have an assurance that the package that was announced by the Prime Minister in October, 1996 would be over and above the normal Plan size that would be approved for the North-Eastern States.

Then, the Prime Minister has appointed a Committee called the Shukla Committee to give a report on the development of infrastructure and basic services in the North-East. I understand that the Report has already been submitted to the Prime Minister. My request here in this House is that the report should be laid on the Table of the House so that the Members can get the benefit of studying and discussing it.

I would conclude by saying that by presenting this Budget, the Finance Minister has taken great risks it is called 'double or quit' Budget. A lot of risks were taken and a lot of sops have been given to the opulent and the capital markets. It seems that the Finance Minister was too much in a hurry and his haste is not understood by most people. Therefore, I am wondering whether he had take these risks and effected drastic cuts in corporate and other taxes thinking that he may not be around to present the next Budget.

With these reservations I support the Budget.

22.00 Hrs.

*SHRI SAMY V. ALAGIRI (Sivakasi) : Hon'ble Deputy Speaker, I thank you for giving me an opportunity to speak on the budget. I also gratefully acknowledge and thank wholeheartedly my party, i.e., Communist Party of India, and the people of my constituency. Sivakasi who have made it possible for me to be here in this House now to take part in the discussion on this year's budget.

This budget is winning accolades and is being widely acclaimed. For the past one or two weeks almost everyone is talking about this budget. There are several welcome features and proposed measures in the budget.

Basic minimum services get due attention. Drinking water, education and irrigation get adequate allocation. Certainly these aspects are quite welcome.

Though it is a welcome budget, I would like to point out certain things as it had occurred to me. For instance, the cut in customs duty is to be reconsidered. I feel that the cut in customs duty would increase imports which would affect the boost in sales of locally manufactured goods. Lesser market and reduced production of our goods would ultimately increase our production cost. This would come in the way of promoting our exporting goods. We may not get the competitive edge just because of our giving a kind of incentive to imports by way of reduction in customs duty rates.

In the global competition we must always aim at making our goods competitive. So I request our Finance Minister to reconsider the cuts you have made in the customs duty, because this needs to be attended to. We must think of widening the market for our goods. Hence it calls for a thorough reconsideration. I hope our Finance Minister will look into it.

Likewise, the increase in postal rates and postal stationery like post cards would only affect the people from the poorer sections of the society. So I request you to reconsider this hike also.

I have certain claims to make as I feel I have got the privilege to demand and get it from our Finance Minister. Because both of us are from the erstwhile undivided Ramanathapuram District. So I feel free to express my reservations about the budget.

Let me draw your attention to the announcement made about the bad debt. Rs. 61,000 crores have been locked as bad debt. More than one third of this money is with the big industrial houses and big industrialists. I fervently hope that our Finance Minister would take corrective steps to bring out the money that belong to our people. I hope he will get the black money that get locked so. I have great faith reposed in our Finance Minister.

My constituency is famous for match industries and fire works industries. Most of them are in the small scale sector and are carried out as cottage industries by several small match factory units. When I approached him with a request to save these industries from closure, he took suitable measures to save those small units.

Even than a great threat has come to that industry now. A mechanised modern match factory in the pattern of WIMCO has been set up in Virudhunagar in my constituency. I take strong exception to its inception there. I am opposed to setting up a giantlike unit of its kind. As this would take away the job opportunities the rural poor in my area get now. I have grave concern about their future. I would like to state here categorically that I would be forced to lead an agitation against the functioning of the modern mechanised match factory that is being set up at Virudhunagar. I would like to caution this Government that people of that area feel agitated and hence I would like you to take steps to cancel the permission accorded to open that modern match factory that could render people there jobless. Sivakasi Lok Sabha constituency has got several match factory units and fire crackers units which are taken to places world over. Most of them are man-made and hence labour intensive thereby providing job

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*English Translation of the speech delivered originally in Tamil.

[Shri Samy V. Alagiri]

opportunities and livelihood to thousands of people there. Only through this industrial activity people of my constituency stay back in their villages. If they are rendered jobless and if their small units and small business interests are affected then the exodus of people from our district would become inevitable. So a fully mechanised automatic match factory should not be allowed to carry on in this region. I seriously apprehend the bleak future that would be fall on the people of my constituency. Hence I strongly appeal to the Government not to allow this modern match factory unit to commence its operation in my constituency.

I would like to highlight the agriculture scene. India as a tropical country is best suited for cultivation of alternate crops. It has distinct seasons. Winter is there for clean three months. Summer and monsoon follow distinctly one another. That way, this agro-climatic conditions best suited for cultivation cannot be found elsewhere in the world. Best climate is there. But an appropriate atmosphere for the agriculturists are yet to be created by the Finance Minister through his budgetary efforts. The Finance Minister has not proposed anything substantive to improve the lot of the farmers in the country.

The Ninth Plan draft document highlight the importance that is to be accorded to agriculture and rural development. But this year's budget is somewhat silent on any measure that will benefit the agriculturists. Small farmers and marginal farmers are not getting anything from this budget. I would like to say that this is rather unfortunate.

Coming to irrigation schemes that would benefit the agriculturists, I must make a mention about Azhagar Dam Project. Our Finance Minister's constituency is also a beneficiary of that project. It is a long pending project. I request the Government to take steps to retrieve the project from the cold storage. It must be completed soon. Because it would benefit about six or seven districts in irrigating land for cultivation.

PMRY scheme aims at providing loans to unemployed youth hailing from rural areas. But the hopeful and prospective entrepreneurs are made to run from pillar to post to get that money. They are required to get institutional certificates and banks make it difficult to get one easily. This is an unwritten conditionality. This kind of needless formalities discourage the prospective entrepreneurs and make them lose heart. They may even give up the venture. I request the Finance Minister to look into it and streamline the procedure. You must give suitable instructions to distribute those loans to those unemployed graduates without hassle.

Several units in the public sector undertakings like IDPL and NTC are facing closure now. Most of them are on the verge of closure. Allocations have not been made to revive those industrial units. The budget do not provide for that. I request the Finance Minister to look into this too. He may kindly allocate funds to revitalise these units before they could become completely unviable.

We are also faced with a situation to go in for deinvestment and privaties certain public sector undertakings. This will greatly affect the people. These changes may not yield desired results. Bearing this in mind, you may reconsider the privatisation proposal.

Highways and road development in the infrastructure development is attended to. At a time like this, a service tax enhanced by about 5% is levied on goods movement by trucks. Already Railways have increased the freight charges by 15%. I would like to point out that this tax proposal on commodity movement would only affect the common man as it would be passed on to the consumers and the commoners. This may be reconsidered by the Hon'ble Finance Minister.

You have also announced the voluntary disclosure scheme to bring out black money. You have given concessions to the black money holders. I have my own doubts whether this would yield desired results. In that case you can also take effective steps through the law of the land. The rules and regulations are there. You can wield your authority and you can bring them to book. However well placed they are, none should be spared. Law must extend its arms and they must be exposed. It must be made public. Such people should be exposed with their ill gotten wealth earned and kept with them through illegal means. Strict and stringent action against such people would instill moral fear. Proper punishment should be meted out to them. Only then they will realise that they may be looked down upon by the society. They may correct themselves only out of fear. Such strict actions may create an atmosphere wherein people may be desisted from resorting to illegal means.

I also request you to enhance the allocations for Tamil Nadu to ensure industrial and all round growth there.

The Northern districts of Tamil Nadu were devastated by floods. While flood relief operations go on in one part of Tamil Nadu, 6 districts in another part of Tamila Nadu which include the district that comes under your constituency reel under drought. Government of Tamil Nadu has taken steps to carry out relief work on both the fronts in full swing. I am to request the Union Finance Minister to allocate more funds for these relief measures.

The six worst drought hit districts are now facing acute drinking water supply problem. People of those districts are a disturbed lot now. Particularly the three districts Pasumpon Muthu Ramalinga Thevar, Kamarajar and Ramanathapuram are affected very much by the drought. You may consider this. You may also initiate steps to allocate funds and send them directly to these districts. Drinking water and other basic services are to be provided at the earliest as the problems have started mounting up.

Before concluding my speech let me thank again my party, the Communist Party of India and the people of my constituency.

[Translation]

SHRI SATYA PAL JAIN (Chandigarh) : Mr. Deputy Speaker, Sir, I oppose this budget. The ruling party members have said many thing about this budget. They said it is a commonman's, poor man's budget. If we study the budget deeply, we shall find no relief has been given to commonman in the budget.

Postal charges have been increased. The rates of Post Cards, inland letter etc. have also been increased. Rich people do not use post cards. Only common people uses it. If the rates of cellure phone is also increased, it makes no difference to common people, as these are used by rich people, common people feel great difficulties because of increase of postal rates.

The rates of bidies have also been increased. Rich people do not smoke bidies. It is smoked by workers, Rikshapoller etc. As Atalji has just said that the rates of Petroleum product's are also likely being revised will affect the common people. The relaxation provided in excise duty would also benefit the rich people only. It is a budget, which is providing benefit facilities to rich people.

The Finance Minister has tried to bring these people under tax not who fulfil any two conditions out of the form. It would aggravate the suffering of one common people and corruption would also increase. The clerical staff will issue notices to any person. They will accept money and corruption will be increased. The common people will suffer.

Mr. Deputy Speaker, Sir, I am elected from union territory, Chandigarh, and its budget is a party Home Minister's budget. I want to say 2-3 points in respect of Chandigarh. Last year 102 crore rupees was allocated to Chandigarh and the previous year to it about 104 crore rupees was allocated. But seven crore rupees has been reduced this year. The budget of all the other Union Territories has been increased. But seven crore rupees has been reduced in the allocation for Chandigarh. A new Municipal Corporation has been constituted there recently and it has no resources of its own. Its financing has been allocated by the Union Govt. Union Govt. has sanctioned administrative work to the municipal corporation, but no allocation has been made in lien thereof, as a result the corporation is facing lots of problems and difficulties in its functioning. I would demand from the Finance Minister to withdraw the cut made in the budget for Chandigarh. Prime Minister has said many thing like cheaper ration will be provided to person living below poverty line. In Chandigarh the list of such poor person has not be prepared so far. No survey was conducted in this regard. I have already written about it, to prepare list in this regard. No survey has been conducted so far and no steps have been taken. How poor persons will be benefited ? No new ration card is being made in Chandigarh. No ration card is being issued to any person in Chandigarh. Even there our Finance Minister is saying that it is a budget far poor persons. About one lakh people live in slums there. Many schemes have been formulated by Central Government and Chandigarh Administration for the settlement those people, but the Central Government has not provided any fund.

Many things have been said about electricity and water. Chandigarh is the most beautiful city of the world and even there water and electricity are not available to one & half lakh people out of seven lakh people. There is one tap for 500 people and no provision has been made in this regard for Chandigarh. At least electricity and water connections should be provided to each persons. Arrangement should be made in the budget in this regard.

Three thousand rupees were allocated from each of howkers there for providing booths to then, but due to lack of funds, thousands of people have not been provided booths. I request you to take action in this regard.

Sir, Housing problem has been emerging as the biggest problem in Chandigarh. Central Govt. should take attention in this regard and allocate more funds to solve this problem, even if multistorage flats are to be constructed. Nothing has been said about this problem, in the budget. Villages are also have to be developed. This is housing problem and on the other hand administration, which is under Central Govt. demolished the pucca houses, which the people had constructed on their own land. Chandigarh Administration does not want to extend Lal dora an a. Even Central Govt. has not taken any decision in this regard. That is why about 20 thousand houses are on the verge of demolation. Notices have been sent to them. I want clear policy should be formulated by the Central Government in this regard and Lal Dora area should be extended.

The Private school teachers are demanding payment of pension as is admissible to private school teacher in Punjab. 1979 Act should be implemented in Chandigarh

[Shri Satya Pal Jain]

also. 1969 Act has already been replaced, but it is still is force in our State. I demand that Govt. should take immediate step in this regard because this Act has already been replaced in Punjab then there is no reason for its implementation in chandigarh. I want that this Act should be withdrawn and 1979 Act should be enforced and pension should be granted to employers.

Many Central Govt. employees are also working in Chandigarh. CGHS facility is not available to them. Inspite of court's verdict, no arrangement has been made in this regard so far, and no provision has also been made i the budget. Untill CGHS dispensary and not opened, the employees cannot avail their facilities.

I will wind up my speech with in two-three minutes. In every union territory area the executive powers are enjoyed by officials, not my elected representatives. Advisory committes on Home Affairs should be constituted for U.T. area. As a result the elected representations could not participate in the decision making, so that they can be accountable to the people. I demand that the union territories where there is no elected State Assembly, the elected persons should also have a say in decision making

You have given many concession to senior citizens. It is a welcome desion.

Our schemes have been forwarded to Union Govt. for sanction. Untill these are sanctioned no budgetary provision can be made and development work undertaken. 200 crore rupees package should be announced for the development of Chandigarh, which is capital of Punjab, Haryana and Union territory, so that its problems can be solved.

With this words. I thank you very much.

MR. DEPUTY SPEAKER : If Hon. Members want to sit late, they can do so. There are 15 members more who want to speek. At last one hour 15 minutes will be needed for them. If they speak for 10 minutes each, three hours will be required. Please decide, I can with you. . .

(Interruptions)

[English]

SHRI P. CHIDAMBARAM : Mr. Deputy Speaker, Sir, there are not may Members present here . . .*(Interruptions)*.

[Translation]

MR. DEPUTY SPEAKER : You may decide. Only five minutes will be allowed for each member. I do know, now, how many are absent.

(Interruptions)

SHRI SARAT PATTANAYAK : We will stick to five minutes limit, but it can be 2-3 minutes more.

MR. DEPUTY SPEAKER : No, we above to stick to five minutes limit otherwise there will be no and do it.

SHRI SARAT PATTANAYAK : Sir, we are sitting since morning.

MR. DEPUTY SPEAKER : You may decide. I have no objection if you want to sit upto 1 or 2 O'clocks.

[English]

SHRI K. KODANDA RAMAIAH (Chitradurga) : Mr. Deputy Speaker, Sir, we can go ahead. Otherwise, we will be wasting the time . . .*(Interruptions)*.

[Translation]

MR. DEPUTY SPEAKER : I will not allow after five minute.

[English]

Now, the next speaker will be Shri A.C. Jos.

SHRI A.C. JOS (Idukki) : Sir, I am thankful to you for having invited me to speak but I am sorry to say that there is no meaning in speaking because you are giving me only five minutes to speak. . . .*(Interruptions)*

MR. DEPUTY-SPEAKER : I am giving five minutes to all. You are a very senior Member and you can finish it in three minutes, time.

SHRI A.C. JOS : Sir, if I lend the words of the hon. Finance Minister, we happen to be the children of lesser Gods because we get only five minutes, time whereas the earlier speakers have spoken for a lot of time. . . . *(Interruptions)*.

MR. DEPUTY-SPEAKER : You have already taken half a minute.

SHRI P. CHIDAMBARAM : Please come to the point.

SHRI A.C. JOS : Sir, I am not going Into any of these things. I am confining myself to one or two points.

I am very sorry to say that the hon. Finance Minister, who always says that the Common Minimum Programme is his Bible, Quran and Commandment of the United Front Government, has forgotten his brief as a good lawyer. am quoting one sentence from his Budget speech :

> "Hon. Members will find that there Is a strong continuity between my first Budget and the present one. The foundation of the Budget remains the Common Minimum Programme. The experience of the last eight months has demonstrated the enormous strengths of

the Programme. Drawing on the CMP, my first Budget articulated seven broad objectives. These objectives embraced vital elements such as growth, basic minimum services employment, macroeconomic stability, investment (particularly in infrastructure), human development and viable balance of payments".

Sir, in these matters, about employment, not even a single mention has been made in this Budget. Had the time permitted me, I would have complimented the hon. Finance Minister for many things which he has included in his Budget. But I am sorry to say that even with fear of repetition, this Budget makes the rich richer and the poor poorer. A person drawing Rs. 25,000 a month gets Rs.300 more by way of income tax rebate; at the same time, a farm-worker, as the *Economic Survey* says, gets a lesser salary. Even if his salary is stable, his wages are stable, he is not getting more. And the money that is coming to the consumer market by way of reduction in income-tax and abolition of tax on dividend results in inflation, with the result that the poorer people will be suffering more.

Sir, I am mentioning about employment. Not even a mention has been made in this Budget regarding creation of employment. After the New Economic Policy you have invested about Rs. 35,000 crore. Even then, the employment market is more or less standstill. The unemployment figure is now 393 lakhs.

Not even a mention is made in this Budget. Especially the educated unemployed youths throughout the country are looking forward to the Budget for any investment. It is because of the lack of investment from the Government side, the employment potentiality is not going up. With the result, unemployment is on the increase. I recall the theory of trickling down. Nothing trickled down for the past five years. It is more or less on the standstill. So my submission is that immediately some steps ought to be taken for the creation of employment which is one of the methods of eradication of poverty. If I may say so, this is a public relation Budget. A very interesting thing happened. Immediately before the Budget, the mood of the country was sharply divided. The prophets of doom were saying that the United Front Government was going to fall down. Like that it went on. Others even cursed but the 90 minutes speech of the hon. Finance Minister has suddenly turned the whole thing. Why ? I do not believe that it is because of the beauty or the boldness of the Budget but one thing is sure that the newspapers, newspaper owners, reporters, majority of the newspaper readers and the corporate bodies are income tax payers. The moment, they got the concession, the mod of the country has changed. Everybody started paying encomium to the hon. Finance Minister.

What about the man on the street ? What about the headload workers ? What about the construction workers ? Have they got anything ? That is what I say and I would have asked that. It is said about Shri C.M. Ibrahim that he is a very good PRO of the Prime Minister. I would say that the hon. Finance Minister is a very good PRO of the United Front. This is a public relation Budget. I am only saying this. I would have elaborately dealt with that. There is not even a mention of the National Renewal Fund which has been established by the first Budget of Dr. Manmohan Singh. The Finance Minister, in a way, is exceptionally lucky. He inherited, unlike Dr. Manmohan Singh in 1991, an economy with vitality, an economy which has shown seven per cent growth, 30.6 percent industrial growth and export market at the rate of 20 per cent. Dr. Manmohan Singh at that time rather envisaged that there would be some retrenchment because of the new economic policy and the competition that may come up in the industrial sector. For that matter, he has introduced a National Renewal Fund for the workers. No mention has been made in this Budget about the future of the National Renewal Fund and what is he going to do with it.

Sir, the hon. Finance Minister is quite aware that many workers are being retrenched from factories because of the efficient news of the mystery. My suggestion and my request to the hon. Finance Minister is that it is high time we have to think about unemployment insurance because many people in the small scale industries are being retrenched and they become unemployed. So I request you that an employment insurance scheme is to be worked out and it is high time for that. At the same time, equally, another important thing is that factories are coming. Investments are made but when we look at India, a populous country, a country with 960 million people, the encouragement is on the modern trend, that is, lesser people and more wisdom. I would suggest that in the Budget, the Government should think about a policy wherein incentives should be given to the people with more employment potentialities. The factories should have more employment potentialities.

Kerala is the worst hit by the Budget. We have got very little public sector industries. It is because of the rise in the excise and cut in the import duty, two or three major industries that are there are on the verge of closure. In Thiruvananthapuram, the oldest Titanium Dioxide factory will be closed. Near Quilon, the Kerala Petrol and Minerals is also on the verge of closure because of the excise duty and import duty policy. The FACT which is considred to be the mother of industries of Kerala, is also finding it very difficult to pull on. It is producing caprolactum. The Hindustan Paper Corporation is another factory which was doing very well and making a profit. But because of the import policy of the newsprint, stocks are accumulating. So that factory is also finding it difficult to pull on.

[Shri A.C. Jos]

The modern food industry has got 14 or 15 units throughout the country and one of the units is in Cochin which makes a profit. On the advice of the Disinvestment Commission the Government has decided to sell it. There is no necessity to sell it. I am at a loss to understand why the Government is selling good factories and food companies to others. The public sector served a lot. I am not going into those details. But my suggestion is at least these factories are to be examined and something will have to be done.

Also, we have got a few.latex units which are closing because we imported polyurethane which makes foam rubber and foam beds and because of that three hundred and odd small small factories are closing. My suggestion is that these things should be looked into by the Minister of Finance and with these words I close my speech.

SHRI P. KODANDA RAMAIAH : Thank you for calling me out to speak on the General Budget.

MR. DEPUTY-SPEAKER : Fifteen people are present here.

SHRI P. KODANDA RAMAIAH : There is a painting *Mona Lisa* in the louvre in Paris. It was painted by Leonardo da Vinci and if we look at that painting from any angle we get the impression that she is smiling at us. But today I am sure that the lady in that painting would be squirming in the frame after seeing the popularity of Shri P. Chidambaram in making everybody smile at the Budget.

Taking the concessions first, he has reduced the income-tax levels, corporate taxes by five per cent, dividend tax has been abolished, customs and excise duties have been rationalised and corporate surcharge of 7.5 per cent has also been abolished. Similarly, he has given a fillip for foreign investment in a marginal way by raising the limit of investment from 24 per cent to 30 per cent.

While appreciating the magnanimity of the Minister of Finance I can only caution him about netting more revenue, to meet the programmes of the Government in the rural sector, in the Rural sector and in the Plan outlay.

I now take the subsidies. The Budget doles out Rs. 9,190 crore in the fertilizer field and Rs. 7,500 crore in food and sugar sectors. In fact, we have said in the Ninth Plan Approach Paper that we will be making an effort to reduce the subsidies. But unfortunately, probably by the compulsion of circumstances, the Minister of Finance has gone in for bigger outlays on subsidies. The subsidies for education and health are all right, but those on fertiliser, food and sugar have to be cautiously dealt with. For example, even while granting the subsidy the Government has not cared to find out whether the subsidy has to be given to the poor farmers, small farmers and marginal farmers or to everybody alike. In the rural areas nowadays there are many big farmers and who have been getting this subsidy in a big way.

I would urge upon the Ministry of Finance to control the quantum, of subsidy and to go in for differential rates. He can give bigger subsidy to small farmers and smaller subsidy to big farmer, if that is inevitable. Otherwise, I would suggest that no big farmers need any subsidy on the fertilisers, on the tractors and on the tillers.

On the sugar and food fronts also, though there are some differential discriminated type of subsidies it is better that we keep only one subsidy recognise only one card-holder and give that subsidy to some extent. For other, there is no need for subsidy and the Government should aim at evolving a system over a period of time whereby they can abolish all subsidies on all commodities.

As far as infrastructural development is concerned, the Government has not done very well in energy, where the outlay is less than the revised estimates and in transport and on irrigation and flood control and industry and minerals. The infrastructure outlays have not been utilised in the 1996-97 Budget but higher outlays have been provided marginally for these sectors.

I would urge upon the hon. Prime Minister to ensure that whatever Budget allocations have been made, especially, in the infrastructure sector are properly utilised.

I would like to say a few words on energy. We have got white elephant called the Electricity Boards In all the States. Even today the Governments have been going in for populist measures of doling out subsidies in a big way. Recently, the new Punjab Government has announced that they are not going to charge anything on irrigation water or on electricity. If these things are allowed, who is going to finally bear the cost of these subsidies. We cannot have doles given out to rich people. For example, an average Punjab farmer is supposed to be richer than any other farmer in the country. I really do not see any reason why irrigation tax and tax on energy are abolished in Punjab.

On the brighter side of the picture is the outlay on Communications, Social services, Agriculture, Sciene and Technology, Environment and Rural Development. These outlays may be maintained, but it should be ensured that these are properly spent. For example, there is a proposal to increase the rural credit from the present level of Rs. 22,000 crore in the current Budget to Rs. 28,600 crore in the next Budget. The augmentation is welcome and it has to be ensured that the man who wants the credit finally receives it.

On the social services, there was an outlay of Rs. 2,466 crore for basic minimum services. In the current year's Budget it has been raised to Rs. 3,300 crore. The total social sector outlay has been increased from Rs. 11,785 crore to Rs. 15,707 crore. This is an indication of the concern for the poor and the criticism levelled against the Budget that it is pro-rich which is totally unwarranted. If you want development and a sound economic base then you have to give concessions to those who produce. If some rich entrepreneurs are producing something, it is necessary that the production increases so that the distributable product-level is available to the general public.

There are other measures like Ganga Kalyan and Kasturba Shiksha Nilaya for which the Government, in all, has allotted Rs. 450 crore. The current self-employment scheme are going to be reoriented. In this field, I would like to sound a word of caution to the hon. Minister of Finance. It is required that these programme are critically appraised by people who know about these things. There is a lot of money pumped into rural economy under the so-called Jawahar Rojgar Yojana. Of course, there is an individual asset given in the Indira Awas Yojana. Otherwise, most of the money does not seem to be going to the people targeted for the purpose. If the money allotted to the social sector has been properly spent in the last 50 years of Independence, I think, everybody should have been living above the poverty line in this country. It is, therefore, necessary that the hon. Minister of Finance evolves a method of monitoring of these programmes at the district level. The Rural Infra Development Fund Phase III has been given Rs. 2,500 crore. I hope that these funds are properly utilised by the State Governments.

On the oil sector, I urge upon the hon. Minister of Finance to go in for a hike in the prices of oil products. It is high time that he does it. If there is any thinking in the Government that it has to be done after this Session, I would advise the hon. Minister of Finance that it is not necessary to postpone it, rather he should come out with the rise in prices of oil products and the economy can bear it. For example, I take the case of kerosene. What do we lose by raising the price of kerosene by five per cent ? What will be the final revenue flowing out of this increase ? Five per cent is not a big issue and the so-called poor people who are living in the villages can afford this five per cent increase. What ultimately I would say is that the Government can give better wages and more wages to the people and then allow them to buy things at market prices. All said and done, inflation is a part of the developing economy.

We cannot forget John Maynard Keynes who said that pumping in of money is necessary in developing countries, especially when there is economic recession. It is, therefore, advisable that we go in for this type of policy.

By reducing the tax burden, the Finance Minister supposed, and rightly so, to extend the net. But this can be done only when the enforcement machinery or the collection machinery is really alert and sincere. He has to take care of the administrative cost. The cost of administering the tax structure has to be kept under control.

Another good scheme he has brought about is the presumed income-tax payers by evolving four criteria. As a matter of fact, I would say that if a person can buy a four-wheeler, that criterion alone is sufficient to tax him under the income-tax law. He need not have to look at two out of the four criteria to tax a person.

Amnesty given to unaccounted money is a good scheme. Once again our objectives may be laudable but the implementation may not be quite good.

Thank you for giving me this opportunity even though I overshot my time.

SHRI A. SAMPATH (Chirayinkil) : Mr. Deputy Speaker, Sir, I support the Budget proposals with some reservations, of course.

As Shri A.C. Jos has stated in this House, most of the people who know what a Budget is and we are awaiting the Budget proposals, are happy now. But the vast majority of the people in the country who do not know what a Budget is and what effect a Budget will have on their life, know only one thing that whoever rules this country, the prices will go up; whoever rules this country, the rich becomes richer and the poor, poorer. This is the pity.

But at the same time, I also appreciate the task that has been done by our hon. Finance Minister and the pain that he has taken for the preparation and presentation of this Budget. Farmers, especially the large and middle farmers, are happy. More funds have been provided for the development of rural areas. It is a welcoming fact that the States will get more share. Our scientists will be encouraged and they will be getting more and more encouragement in future. There is high tide in the stock market and our large industrial houses are happy. The confederations of industry are happy. But, at the same time there are certain other fields which I would not dare to say have been neglected, but were the Finance Minister has made a tight rope walking between the rich and the poor. I would like to say that this Budget is not anti-poor, but his Budget is not pro-poor also. This is somewhat pro-rich. But, at the same time, I would appreciate certain facts. This Budget is showing a new trend because as our nation has entered into an era of federalism, this Budget also has appreciated and is encouraging some points of economic federalism.

[Shri A. Sampath]

At the same time, I have certain fears because there are quite a lot of advocates for the economic liberalisation of our country. But what happened as a result of the economic liberalisation ? The rich became richer and the poor, poorer. The prices of almost all the essential commodities have gone up. Oil production has come down. It has become a scarce commodity. We are Importing more and more oil from the Arabian countries and the Gulf countries. Our exports have declined and our earnings from exports are declining still further. The power sector has been neglected. Power shortage has become acute in a large number of States. Almost all the States in India are now facing acute power shortage.

What were the benefits that we reaped from the economic liberalisation ? Those who reaped the benefits of economic liberalisation were the rich. The consumer durables were produced more. At the same time, infrastructure and core industries were neglected. This is what has happened in India during the last 4-5 years.

Here I would like to bring forward some matters regarding the report of the Fifth Pay Commission. There have been reports in various newspapers that the poor Jawans who are guarding our great nation's borders in the deserts as well as in the Himalayas will be getting much lesser than what an average clerk, who is working under a roof in a better condition in an office, will be getting. So, our Jawans have been neglected if the newspapers reports are correct. We will be losing the parity. The disparity will be much higher if it is implemented in the same manner.

I would like to invite your attention to some other factors also. There has been a structural shift in the Central plan finance since, around Eighties. This means that the Central plan which is concentrated on rural employment and poverty alleviation programmes and in human resource development sectors have been neglected for the past 5-6 years. If this trend goes, on our economy will be growing vertically and it will not be growing horizontally. Sir, I am a newcomer in this august House. Even according to my humble knowledge, economic development means that it must be economic growth vertically as well as horizontally. The resources are now concentrated in the hands of a few.

I am coming from a very poor State, Kerala. My friends have spoken in this House earlier. My State has been termed as a consumer State. By whatever reliefs that have been given to the industries in India, we suffer. Whenever some duties have been imposed, then also we suffer. Whatever happens in this country, whatever better things have been declared, all those things are falling upon us not as a boon but they are bane to us.

I would request our hon. Finance Minister to kindly look more towards the South. What was happenig in this country earlier was that our Finance Ministers were always looking towards North.

Sir, in this very august House I have raised an issue some time back. This country is getting more and more foreign exchange from the people who are working outside the nation. From my State more than one million people are working not only outside the State but outside this great nation. They are working in the Arab countries, U.S.A., U.K., Germany and all other countries. They are sending to their homes very precious foreign exchange. But what happens is that in my home State, Kerala, we are getting lesser and lesser economic help and funds even from the nationalised banks. The banks are hesitant to provide even self-employment loans even to the young people who seek loans under the Prime Minister's Rozgar Yojana.

The credit deposit ratio in my State is much lesser than the national average. There may be some people, some economic experts who will say that there are other reasons also because 'you lack economic infrastructure and things like that. But I would like to ask whether we have invested in this country on the basis of economic infrastructure alone. No. There are political reasons and there is political will behind that. But, for the first time, as we have entered into an era of economic federalism, the North-Eastern States, the Southern States, the Western States as well as even Jammu and Kashmir are demanding more and more. We have to get what we must get.

I have one reservation which I would like to express here. My learned friend who spoke just before me requested for a slight increase in the prices of petroleum products. I strongly oppose that request. That will create inflation. That inflation will lead this country to galloping inflation. Nobody can control such a situation. So, my humble request is that we must give more importance to the core sector, the power sector, the coal sector, the steel sector and the infrastructural facilities should be developed. The oil exploration also should be encouraged. These must be encouraged and must be strengthened.

We must stand on our own feet. We must be self-sufficient. In the appraisal to the Union Budget, it has been stated that our food production has come down. Now, we are importing foodgrains from other countries. We had declared before the world that we have become self-sufficient in the case of foodgrains. But what happened ? Now, we have shamelessly imported foodgrains from other countries. Now, we will import more and more material. This is not a fair path. This does not show a good picture of the future.

Before concluding, I would appeal to the Finance Minister, through you, that we have to strengthen the BIFR as well as NRF for the procurement of more funds, to help the sick industries and for the industrial development of the country.

We have to expand our tax base. Even some other developing countries are having wider tax base. They are taxing about 20 per cent to 22 per cent of the people. As Shri Nirmal Kanti Chatterjee stated yesterday, I am not mentioning about the developing nations. Even the developing nations have more wider tax base. Our tax base is very much limited. It is limited to 12 million people whereas there are more than 900 million living in the country. So we must try to find out some scope for expansion of the base also.

I would like to convey my sincere thanks to you. I would also like to convey my appreciation and congratulations to our Finance Minister. I hope that he will look into the matters raised by the poor and lesser developed States, especially Tamil Nadu and Kerala. I have stated in this House that Tamil Nadu and Kerala are neighbours. We are using the only highway that is connecting the Capitals of two States, Chennai and Thiruvananthapuram which is to the South of Thiruvananthapuram and going to Chennai *via* Nagarcoil, Trichy and Ambasamudram.

There is another proposal also which has been put into the cold storage for so many years, that is, the construction of new national highway. If that is constructed, the distance will be shorter by more than 200 Km. by road. That will save millions of rupees per year. That highway would go from Thiruvananthapuram to Chennai *via* Nedumannad *via* Ariyanad, Kottur cutting across "Sahyadris" and Ambasamudram. That will be helpful for both the economies. I hope that our Finance Minister will consider this proposal also and try his best to give funds for this project.

SHRI V. GANESH CHIDAMBARAM : Mr. Deputy-Speaker, Sir, on behalf on the DMK under the sagacious leadership of Dr. Kalaignar who is the champion for the cause of the poor, the down-trodden and the neglected and under whose astute leadership, the State of Tamil Nadu is on the road to social and economic prosperity.

I rise to speak on the General Budget of the Union Government for 1997-98. I would be miserably failing as a Member of this House, if , on this occasion, I do not express my deep gratitude to Annan Murasoli Maran, the Leader of my Party in Parliament, who is my creator in this House.

This Budget is an epoch making Budget. Even the Congress Government over the past five years could not bring about this kind of Budget. So far, the Budgets have been like black and while cinema. Today, we have a Budget in Eastman colour. Suddenly, a Budget has been presented which satisfies all the sections of the people. The industry is satisfied. The agriculturists are satisfied. The artisans are satisfied. The traders are satisfied. Foreign and domestic investors are satisfied. Fiscal deficit has been controlled. Growth rate has been increased and stabilised. The economy is looking for a big boom. The entire economy has been tuned to the major objective of getting adjusted to global economic demands.

Sir, I am proud of the Finance Minister, Shri Chidambaram for two reasons. One if, it is the DMK's constituency in Tamil Nadu which I represent. Another is, it is the name of our Finance Minister who has given this wonderful Budget.

Sir, this Budget is a very bold step towards bridging the gap between the poor and rich. Everybody has been given an equal opportunity to develop. There is potential for employment generation, investment in infrastructure and human development. Radical tax reforms have been proposed. The Finance Minister has brought in a modern tax system in which national character-building is encouraged where individuals and corporates voluntarily pay tax. The taxation is not going to be vertical with unaffordable rates, but horizontal with affordable rates. Modern economies are based on such taxation structures.

In social sectors, the Budget aims at poverty alleviation programmes. The new literacy programmes for girls needs to be encouraged. There is a proposal to provide greater autonomy to the public sector undertakings which is also welcome.

Sir, without going into the figures of allocation to various sectors which are already on the Budget document, I would like to press certain points relating to the policies for the nation, as a whole.

Sir, I have some demands to make. I would request the Government to take up immediately the Villupuram to Thanjavur railway line conversion project *via* Cuddalore and Chidambaram. In my constituency, near Annamalai University, there should be a railway overbridge. For want of an overbridge, the people of the area suffer a lot. I would also request the Government to declare the Cuddalore-Aththur *via* Neyveli and Viruthasalam, a National Highway. I would further request the Government to study the feasibility of laying a railway line from Kattumannar Kovil to Cuddalore via Chidambaram.

Now, I would like to draw the attention of this House to the serious irregularities in the Neyveli Lignite Corporation. Many houses have been acuired by the Neyveli Lignite Corporation and lands also have been acquired by the NLC on the promise that alternate housing

[Shri V. Ganesh Chidambaram]

sites and employment to one member in a family would be given. More than 15 to 20 years have passed, but the NLC management is least concerned about the welfare of the poor people. No compensation has been given to them and also no alternative shelter has been given. The ward of the families who gave the lands and houses are yet to be given employment despite promises by the NLC. Even the wards of those who have taken voluntary retirement are yet to be given employment. There is no scheme for providing employment to wards of those who become medically unfit in the course of employment in the NLC. A task force must be constituted to look into all these things for providing speedy justice. The NLC authorities should be made accountable for all these lapses.

Sir, the country should attain self-sufficiency in water supply by the year 2000. Drinking water is still very dear in many remote parts of the country. I would request the Government to concentrate on this. In this connection, I would like to draw the attention of the Government to the plight of villagers for drinking water in and around 30 kilometres to 40 kilometres of the NLC mining area. When mining takes place, the ground water from 30 to 40 kilometres around the mining area is automatically sucked in and those areas are rendered dry. This has affected a large number of villages around the mining area. I would urge upon the Government to immediately chalk out a plan for providing drinking water from eastern to western direction to the villages affected around the mining area of the Neyveli Lignite Corporation.

I would congratulate the Government for taking effective steps for promoting private industries by restructuring taxation. The Government should take .pecial efforts to encourage and make self-employment a successful venture in India. Only self-employment combined with encouragement to private industries, particularly small scale industries, will solve the unemployment problem.

Sir, recruitment in Government should be strictly on seniority basis and the Government should mount an assault on corruption in Employment Exchanges. With great pride, I wish to inform this august House that it is Dr. Kalaignar in Tamil Nadu who has totally removed all malpractices in the Employment Exchanges by giving jobs in Government to the unemployed purely on seniority and merit basis.

Industrial development in the country has reached new heights under the stewardship of Annan Murasoli Maran. The Ford Car factory has come up in Tamil Nadu for generating further employment in the State.

23.00 Hrs.

I would also urge upon the Government to pay its attention to the present judicial system in the country. While various courts deplore the delay in taking steps by Central and State Governments, they conveniently forget their own delay in delivering justice. There is not a single litigant or an affected party who can say with happiness that he got justice in time from courts. There is, however, little speed in justice delivered by Administrative Tribunals and Consumer Courts. I would request the Government to simplify Court procedures as well as to set up subject-related District level courts for ensuring speedy and faultless justice to litigant public. If judicial and Court reforms are not carried out along with economic reforms, whatever economic reforms and its fruits are available, can be robbed by the deficiencies of the present judicial system in India, thus spoiling the entire thing.

With these words, I congratulate the hon. Finance Minister for his wonderful Budget. I also thank Dr. Kalaignar, Annan Murasoli Maran and the people of my constituency for making me a Member of this House and providing this golden opportunity.

[Translation]

SHRI S.P. JAISWAL (Varanasi) : Mr. Deputy Speaker, Sir, Thanks for giving me on oppdrtunity to speak. Hon'ble Finance Minister had prepered this budget with cleverness. He has proved that he is not only a politician but a showed politician. It is a politically motiveted budget and I oppose it.

MR. DEPUTY SPEAKER : You may appropriate his cleverness.

SHRI S.P. JAISWAL : Mr. Deputy Speaker, Sir, I am a new member India is the biggest democratic country of the world and we are sitting in the biggest Panchayat. I am surprised that while speaking on the budget, through the ruling party members opposed the budget in strong words initially, in the and they say that they support it. What message this contradictory statement will convey to the country and world. The supporting party, congress, and its members had opened the budget in strong words but in the end they said that they were supporting it. It is a good budget. Is it the character of elected members of this House ? I am sad on this state of affairs. This real character will not be visible.

I will say few words. This is an anti small industries budget. This budget will not only increase the employment, but it is anti-poor and anti-farmer also. 25 per cent amount of the budget has to be paid as intrust. Our leaders has taken such a huge amount of loan that 25% amount of the budget has to be paid as interest. B.J.P. opposit to the additional concession provided to the foreign in vesters/

institutions like F.I.I. in the budget. Small scale industries will be badly affected by the budget Finance Minister have invited foreigners, by reducing the custom duty. I submit that when we prepare budget for a family. We take in to account its requirement for the next 10-20 years and when we prepare budget of a country we take into its requirements for the next 50-100 years. Our freedom fighters had also considered the economic schemes of the country. India is a agricultural band country. 80 percent people earn this livlihood from agriculture. We have to pay attention towards cottage and small scale industries. All the leaders, from Mahatma Gandhi onwards had talked on this line. China has only one third part of land has irrigation facility. China has $^1/_3$rd land as compared to India which is and for agriculture. But Chinese production is double than our's production. We should think in this regard. We should prepare agriculture oriented budget. Even Uttar Pradesh has a capacity to find the active country. One of our members has been mentioning that Uttar Pradesh has produced so many Prime Ministers and Finance Ministers. so Prime Minister had belonged to this state, its population is 16 percent where as only 7 percent allocation has been made in this budget. Uttar Pradesh is becoming backward day by day. It is going below the poverty time. If 25-30 per cent allocation will not be made in the budget for the state, the state will not be able to come at par with other states. Uttar Pradesh is starving and unemployment has risen there. The people of Delhi, Haryana, Calcutta, Mumbai or Uttar Pradesh has to do labour work. It is rich in coal, iron, copper or and its land is also fertile. But due to indifferent attitude of the Central Govt. this state is becoming backward day-by-day. Due to indifferent attitude of Congress regime, people of the state are forced to accept B.J.P. It it goes on like this, all the people in the country will accept B.J.P.

Through, I want to submit that importance should be given to livestock in the state. Livestock is very important wealth. The country has imported powder milk and butter worth 17.4 crore rupees during 1993-94 from abroad.

In ther year 1994-95, ig was purchased for nearly double the amount i.e. 32.7 crore rupees, in 1995-96 also import was double i.e. 61.6 crore. By developing live-stock we can meet our requirements.

I would like to draw your attention to the condition of weavers of Uttar Pradesh. They are in distress now-a-days. Customs duty on the silk imported from China has reduced their income. Chinese silk is a raw material to provide relief to the weavers. Export of sugar and silk should be exempted from customs duty.

I hail from Varanasi. You know that Varanasi is a tourist place not only of India but the world as a whole. The ghats (batting ghats – bank) of Varanasi are matchless in the world, but I would like to tell the hon. Finance Minister that there is no provision for the security and beautification of the ghats in this Budget. I would like to tell you that the Ganges are polluted. The Ganga Action Plan for 49 crore rupees has proved a failure. Therefore, Ganga Action Plan is to be re-considered. There is a need to know our opinion also alongwith the opinion of the members. I would urge upon you to make a provision of at least 200 crore rupees in this budget for the removal of pollution of the Ganges, repair of the Ghats of the Ganges and beautification of Kashi.

I would like to draw your attention to a letter presented to you by me on behalf of Poorvanchal Zarda Pan Masala Products Association on 20.11.1996. I would like to draw you attention to a solitary point in that letter, and that is, since 1.4.1994, an additional excise duty of 10 per cent has been imposed on unbranded viewing tobacco. It is a business of just 2-3 crores of rupees and it is a small cottage industry who is run by poor people. This will fetch you only 20 to 30 lakh rupees. Major portion of the work is accomplished but what remains to be done is just a fragment which would make the work complete. It is unbranded by not B.E.D. But, because of 10 per cent AEO poor people have been engulfed. I would request you that these poor people may be exempted.

I would like to tell you one thing about the C.G.H.S. facility provided to the Central Government employees. The people who are provided with this facility have a monthly deduction from their salaries which contributes to CGHS, and the people who do not have this facility are provided with an amount of money. Licence fee is deducted from their salaries every month. It is urged upon you that the deduction made throughout the year should be exempted from Income Tax.

I would like to tell you that more funds may be provided to our Defence Budget. So far as I know, the Defence Minister had urged upon the Government and his request had been granted because it is necessary to grant his request, because if our Defence line is not in order, it will create problems. I would like to tell you that the experts are of the opinion that India spent only 2.39 per cent of its G.D.P. on Defence. Pakistan has spent 6.88 per cent of its GDP on Defence whereas China has spent 5.63 on it. So there is a need to increase the Defence expenditure.

Relaxation has been provided by the Government to the share market which has sent a wave of happiness among the people of Share Market. Meanwhile, a service tax has been imposed on the movement of goods by road, it should be removed. Last year, some relaxation was given on jams, fellies, saucces, and juices (soups) in the previous budget, may I know the reason why the relaxation on these

[Shri S.P. Jaiswal]

items is withdrawn. I would also request you regarding the tax imposed on beedi which is consumed by labourers and the post card. Tax on these two items may be removed.

The Government has reduced the capital Gain Tax of foreign Financial institutions which will result in a loss to the country. The Budget may be presented keeping in view the next 50-100 years. With this request, I take my seat and oppose the Budget.

MR. DEPUTY SPEAKER : It is a matter to pleasure that the people whose names are being called are present here.

SHRI SHARAT PATTANAYAK (Bolangir) : Mr. Deputy Speaker, Sir, today you have given me an opportunity to speak on the budget, so I am grateful to you.

Finance Minister spoke about poor people, and most of the programmes have been suggested by him. There are so many backward districts and drought prone areas for which no programme has been suggested in this Budget, e.g., Vidarbha in Maharashtra, Kalahandi Kutchh in Saurashtra – Gujarat, Bolangir, in Orissa, Korapur etc. There are 50 such backward districts which have been recognised. A Special package may be announced for all these districts.

[English]

We are going to celebrate fifty years of our Independence this year. I hope, the hon. Finance Minister will announce a package for the fifty backward districts and drought-prone areas of Orissa.

[Translation]

I am requesting for setting up of National Drought Fund. If it is set up, the people who leave their home and hearth because of drought will be provided with some help.

[English]

Regarding recommendations of the Pay Commission, there is a mention that in foreign countries, they are reducing the top-level posts. Similarly, there should be a cut in the posts of Joint Secretaries and above in India. The best brain available in the country should be hired by the Government for implementing the programmes of the Government. Those who are going abroad and earning name, should be encouraged to come back to India.

[Translation]

There has been criticism from every corner. So many bureaucrats are not required under Liberalisation.

Crop Insurance Scheme was introduced by the Congress Government also in the last Budget, but in has not reached the drought affected area. It would he better if you will pursoue G.I.C. and L.I.C. so the programmes reach there.

The programme of Natural Calamity Fund for the areas which are flood-prone, marginal farmers are provided funds out of Natural Calamity Fund when there are floods and crops are damaged. Likewise if the whole crop is damaged, it would be better to provide them with some financial assistance.

Girls Education Scheme has been introduced for women. It is a welcome step. But side by side women are in the Government Service. Last time in the budget, a scheme to give a relaxation of Rs. 5 thousand to them was framed. In the present budget that has been abolished. If this concession continues, it will send good signals among the womenfolk.

Voluntary Disclosure scheme was introduced by the earlier Government also, but it was not implemented completely and the result was that it did not prone successful. Hon. Finance Minister has presented it in a nice manner. If in this scheme it is earmarked that money will be spent for potable (drinking) water in the rural areas where it is not available, those people will also contribute money to it, who are not required to contribute money to it. In our ethos we have a saying charity in the form of water is the Supreme Charity. So this amount may be earmarked for drinking water. This way this scheme will prove the best scheme.

If I am right, a report is published in the Economic Survey that there is an amount of Rs. 14 lakh crore as black money in India. If only 30 per cent is diverted to this, the poor people would get drinking water, and the infra-structure will be changed.

In rural development allocation was the same as it was earlier, but till now its ifra-structure has not been established properly. I hail from Bolangir district of Orissa wherefrom 2 lakh people have migrated to other places. It is reported in the print media almost daily that there is no drinking water, food is scarce, no house to live in. All these schemes are there since many years, but the infra-structure is not set up yet. Same story is repeated. So I would request that it would be in the fitness of things, to develop the infra-structure properly, and that way the country will also progress.

23.20 Hrs.

[SHRI P.M. SAYEED *in the Chair*]

In order to collect tax amount of Rs. 1.80 paise are being spent on administrative level and all this process is being carried out to save 20 paise. This way, the amount of 80 paise spent thus is not good at all. It is a sensitive point which is to be considered.

[English]

A lot of cases are pending in the tribunals, settlement commissions, etc. A mandatory time limit should be fixed for the disposal of such cases so that revenue could be earned. The taxpayers should not be entertained by the Government; the Ministers and the bureaucrats should discharge their social functions.

I would like to make one request to the hon. Minister of Finance regarding small and marginal farmers. A development bank should be set up in the pattern of NABARD to take care of their interests.

I am concluding by touching upon a very sensitive point. The hon. Prime Minister had visited Bolangir. He had assured the public in a meeting with the Press that this time two irrigation projects, Lower Suktel and Indra would be included in the Ninth Five Year Plan and funds would be provided to the most backward districts of Orissa, which are also the most backward in India, where people are not able to get drinking water, food and shelter. People migrate from this place for their livelihood. It is very pitiable and so I repeat this request. In the Tenth Lok Sabha also, I raised this issue from time to time. Previously, both Koraput and Kalahandi were getting Central Assistance when Shrimati Indira Gandhi and Shri Rajiv Gandhi were visited there. The former Prime Minister, Shri P.V. Narasimba Rao also visited Bolangir and included this district for Central Assistance. This time, our hon. Prime Minister – I must congratulate him – has announced Rs. 50 crore for Orissa, which has already been given fifteen days ago. He has also assured two irrigation projects for Orissa. I request the hon. Minister of Finance to intervene in this matter and complete the two irrigation projects in the Ninth Five Year Plan i.e., Lower Suktel and Indra.

[Translation]

SHRI ANANT GANGARAM GEETA (Ratnagiri) : Mr. Chairman, Sir, the estimates of income and expenditure are given in the budget. But if only estimates are not given, the budget will be reduced to a mere reflection of the Government. We are trying to find our the farmer, labourer the poor people living below poverty line, and the people of the backward classes. But, all these classes are never located.

There is hardly any mention of employment in the Budget. There are no facilities for small indusries, nor is there any scheme which can provide employment. Common man is always in the habit of dreaming after the budget, and expects that the budget would provide some relief, dareness would go down, employment would be available, but the common man is nowhere reflected in this budget. This budget has brought happiness to the industrialists, capitalists and foreign industrialists, Today our country is under a heavy burden of loan. If we want to ease ourselves from this heavy burden of debits we shall have to lead the people right from marginal farmers to all classes of the poor towards self-reliance. Our country can be self-reliance only when the common man of our country is self-reliant. While framing the budget of the country we should keep in view the common farmers and labourer of the country.

The Government exchequer earn money by means of different taxes. Hon. Finance Minister will agree that 28 per cent, i.e., one-third of the nation's income is from Maharashtra, but out of this earning only 2.8 per cent is given to Maharashtra. That is, Maharashtra does not get even one-third portion. The State which earns money in the form of taxes and duties, is not given even 10 per cent share. Through this Budget speech I would urge upon the hon. Finance Minister to enhance the limit of the funds given to Maharashtra.

Delhi is the political capital of the country, but Mumbai is considered to be the economic capital of the country. Mumbai has got a special position in the economy of the country.

But, no provision seams to have been made in the Budget for Mumbai. Not only this, I am surprised to note that our. Finance Minister has not made any reference of Mumbai in his speech. Today the population of Mumbai is more than one crore. Out of this one crore 65 lakh people are settled in Mumbai form all parts of the country. Therefore it is not the responsibility of Maharashtra only but it is the responsibility of the Union Government also because Mumbai has been sharing a lot of responsibilities of the Union Government. Therefore Union Govt. should provide necessary financial asistance to provide and expand amenities, facilities and services in Mumbai city. I, therefore, demand through this budget that no development will take place in Mumbai unless some provision is made in the budget for the same.

Mr. Chairman, Sir. the Finance Minister has given exemption in income tax as a result of which 20 percent people would be, benefitted but you have increased the prices of post card, pocket parcel and tax on umbrellas, ball pen etc. have also been increased which are very small items. It will affect 80 percent of the people of the country.

Mr. Chairman, Sir, our country is an agricultural

[Shri Anant Gangaram Geeta]

country. 80 percent population of the country depends on agriculture and there is no provision in the budget which provides suitable prices for agricultural production. Today the whole country is facing the crises of potable water. Whichever state your, visit, you will find there the people facing potable water crisis but there is no mention of it in the speech of the Finance Minister. That is why I cannot support the budget which is not favourable for farmers and the poor.

Mr. Chairman, Sir, I am Thankful to you for giving me time to speak. Now I conclude.

*SHRI M. SELVARASU (Nagapattinam) : Hon'ble Chairman Sir, let me thank you at the outset for the opportunity to speak on the budget presented to this House by the Hob'ble Finance Minister on behalf of the United Front Government. I feel honoured to take part in this budget discussion.

United Front Government is a coalition Government. It is a coalition of both National and Regional Parties. It is something unusual that a member of a regional party to hold the reins of Finance portfolio at the Centre. Our Finance Minister has presented his second budget on behalf of the United Front Government. I would like to congratulate him on this occasion.

He had stated in his budget speech that he has prepared this budget as guided by the common minimum programme adopted by the constituent parties. But still I feel that our Finance Minister has slightly deviated from the directions given by the steering committee of this United Front. I think I have a duty to point out this.

Our Finance Minister evidently happy pointed out that 40 proposals made in the budget for the year 1996-97 were implemented. I am happy to note that spirit of implementation and sense of fulfillment.

GDP poised for a growth from 6.8%, growth of agriculture to the tune of 3.7% foodgrains production reaching 191 million tonnes are some of the salient features of the budget. I hope this budget will help improving our economy.

In order to increase the production of foodgrains like wheat and rice, to prevent their price rise, to increase the levy charges, and to streamline their distribution through PDS, our Finance Minister has indicated the steps the Government have to take. This gives great hope and peps up the people of the country.

As far as poverty alleviation programmes are concerned, they used to be the regular features of all the successive budgets. But our Prime Minister's concern to carry out the Basic Minimum Services gets an increased allocation of Rs. 3300 crores from Rs. 2470 crores. Particularly the slum rehabilitation scheme would get Rs. 330 crores. This scheme is carried out by the State Governments. To construct a hut Rs. 17,000 was provided. Then it was enhanced to Rs. 18,000. Later on it come to about Rs. 28,000. I would like to point out that a hut raised with that money would not be big enough to hold more than two, a husband and a wife. Even one child would be too much for such too small houses. So under this scheme, loan for a dwelling unit should be increased to Rs. 50000. The plot size may also be slightly increased to accommodate a family with children. Irrigation schemes gets an allocation of Rs. 1300 crores increased from Rs. 900 crores. Ganga Kalyan Project announced by the Finance Minister is intended to provide drinking water utilising the ground water potential. Water resources from the surface water sources will also be included. But I would like to point out that the benefits of these schemes should be reaching small farmers and marginal farmers. So far our experiences would say otherwise. They are not benefitting small farmers at all. Instead they benefit the big farmers and farmers who live near urban areas. This is because the small farmers are not aware of these schemes at all. So, I would like this Government to take the information about such schemes to the small farmers in the rural areas. The expenses involved in this should be included in the plan expenditure itself.

PMRY, IRDP, NRY are the schemes meant for generating employment opportunities in the rural areas. The budget proposals indicate this. Imparting skill training and then providing job opportunities are contemplated. The policy and its motto behind these schemes are good. We must find out whether the benefits have really gone to the target group beneficiaries. My experience says that these schemes and their benefits do not really percolate down to the needy beneficiaries. What is the reason for this failure. In my opinion the banks are the culprits. When the youth go to these financial institutions they are harassed in such a way that most of them get vexed and withdrawn. The youth are forced to reconsider whether they should go in for these loans at all. This is the ground reality. It is unfortunate. In order to put an end to this you may take away the role of banks in these schemes. Instead, separate implementation offices could be set up to handle these schemes. Unless and otherwise the implementation mechanism Is streamlined we may not be able to achieve much through these schemes. I would like to draw the attention of our Finance Minister to consider setting up implementation mechanism with direct funding from the Centre.

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*Translation of the speech originally delivered in Tamil.

Our Finance Minister has stated that he is allocating Rs. 2000 crores to implement 4530 projects in the infrastructural development programme. This would not suffice. Thousands of villages are there without road link. Lakhs of villages are there without safe drinking water. There are many villages that are yet to see the light of electricity. There are many villages without metal roads. When that be the reality, how can we accept that Rs. 2000 crore would suffice to implement 4530 projects. So I am to request the Finance Minister to increase the allocation for infrastructure development programme.

NABARD gets an allocation of Rs. 500 crores of which Rs. 400 would be provided by the Reserve Bank of India and Rs. 100 would be provided by the Government. NABARD gives away loan to the farmers for agricultural activities towards food production. The loans are distributed through the cooperative banks under the supervision of he State Governments. When the farmers and their crops are affected by natural calamities and disasters, the NABARD do not consider the cases of the farmers from a humanitarian angle. Agricultural farmers are put to trouble and lots of inconvenience while they are put under pressure to pay back the loans. I request the Finance Minister to suitably advise NABARD to evolve schemes to help the farmers during natural calamities.

In the recent floods in Tamil Nadu 2 lakh huts were devastated and in 1978 about 4 lakh hutments were affected due to the cyclone. Under the Indira Housing Scheme, Rs. 10,000 each was provided to those rendered homeless to construct their houses again. Now it has been enhanced. The Finance Minister has proposed that it will now be upto Rs. 2 lakh to be distributed as housing loans through the banks. I welcome this proposal made by our Finance Minister.

There is a proposal to give functional autonomy to the public sector undertakings. I would differ with the Government in this. So many of these PSUs have not filled the reserved vacancies for many years now. When they are given autonomy they may not fulfil their constitutional obligations. PSUs like IOC, ONGC, HPCL, BPCL, IPCL, BHEL, SAIL are there. All of them have not met the requirement to fill the reserved vacancies. For instance ONGC, a Government of India undertaking, is there in my constituency, this PSU has not fulfilled its responsibilities to fill reserve vacancies. So these PSUs should not be made autonomous corporations.

This budget talks about agriculturists, teachers, Government employees, industrialists, small scale entrepreneurs and businessmen. But there is no mention about the agricultural labourers. I wish the Finance Minister to rectify this omission at least in the Supplementary Demands for Grants. With this, I conclude my speech.

DR. ARUN KUMAR SARMA (Lakhimpur) : Mr. Chairman. Sir, I stand here in support of the Budget presented by the hon. Finance Minister. The Budget is a growth oriented one where the hon. Minister has attempted to encourage the rich people to pay tax which, in the past, they generally wanted to evade; and he has also given encouragement for productive utilisation of the black money by the business classes for increasing growth.

Sir, there are criticisms from the Opposition benches saying that this is a Budget for the rich people, not for the poor and Members from the Treasury benches are arguing that it is a Budget for the poor people. Whatever might be the reason, even though this Budget intends to help some of the rich people yet that would indirectly help the poor people in future. The investments to be made out of the resources of the rich people would be utilised for generation of employment and for production of other productive assets which would ultimately help the poor people of this country.

Sir, there are also a lot of criticism that there is nothing new in this Budget but this is just the continuation of the economic changes initiated by Dr. Manmohan Singh. Whoever might be the Finance Minister, keeping in view the economic situation that is prevailing in this country today and also keeping in view our foreign debt and the fact that we are going to complete with the developing nations of the world, I think, this is the best possible Budget that has ever been presented by our hon. Finance Minister by proper utilisation of his intellect.

Sir, this Budget has been hailed by all sections of the society and I must congratulate the hon. Finance Minister for presenting such a Budget which has been hailed by many economists of the country which includes distinguished personalities, like none other than Shri Nani Palkiwala, the eminent jurist and one of the very keen critics of the Union Budget for several decades. He has termed the Union Budget of 1997-98 as one of the best that was presented before the Parliament. He said that it would stimulate growth in the country. He further added that this Budget is the first of its kind that has been presented in the Parliament and for the first time the country looks more like a tiger and less like a tortoise. This is the kind of a statement that we have got from a renowned personality of this country.

He said, the country does not have a powerful economy but has all the raw material to build an India which is like a sleeping giant, which would if awaken, could make a powerful impact on the global economy.

Sir, this is a time when we are going to compete with the big giants through the economic liberalisation. We must prepare ourselves to compete with the developed world.

[Dr. Arun Kumar Sarma]

For that, we must generate our own resources. We must have our own economic weapons to fight the giants with. How can the country run its affairs with the help of foreign assistance ? There is a limit. Now is the time for exploring the possibility of generating our own resources. I must draw the attention of the House to a news item published in *The Hindustan Times* of 17th March. It said that the United States is impressing upon the IDA and the Asian Development Bank for discontinuation of soft loans to India. That is why we have to evolve proper measures so that we can stand on our own feet. This had compelled our hon. Finance Minister to critically study the subject. I must congratulate him that he could evolve certain measures which will boost our economy in the coming future.

MR. CHAIRMAN : You have to conclude now. You have already taken seven minutes.

DR. ARUN KUMAR SARMA : I have a few points to make. I will try to conclude as early as possible.

We are going to compete with the developing countries. But what about the underdeveloped States in our own country ? The underdeveloped States in our country are not in a position to compete with the developed States in the country. What is our future plan in respect of removing the regional imbalances in the economic development and in infrastructure sector ? I would like to request the hon. Finance Minister to utilise his talents in this direction. He has very successfully presented this budget but he should see, at the same time, that all underdeveloped areas of the country are allowed to come on par with the developed parts of the country so that we can together compete with the developed nations.

A lot of defective planning was made In the past because of which we have to give special attention to the underdeveloped areas now. It is not only North-Eastern region which I represent, but some other underdeveloped areas of the country like Kerala, Jammu & Kashmir, some parts of Bihar, Orissa, Madhya Pradesh and even parts of Uttar Pradesh should be taken special care of. There are underdeveloped areas in all parts of the country. The backward regions should be provided with sufficient funds.

MR. CHAIRMAN : Now you must conclude. You have taken almost ten minutes.

DR. ARUN KUMAR SARMA : Sir, I would like to bring another point to the attention of the hon. Finance Minister. Because of the geographical isolation of the North-Eastern region, the industrial development did not take place in that region. Infrastructure has not developed. By providing only transport subsidy for all times to come, no industrial development can take place. That is why, I would to say that some extra emphasis should be given for the development of infrastructure. Bombay, Madras and Delhi are too far from North-East. There are some traditional trade routes through the North-East to the South Asian countries. Where there is economic viability, there can be development, there can be exports. People's participation will be there, specially in the agricultural front.

MR. CHAIRMAN : Conclude now. You can submit all the valuable points, in writing, to the hon. Finance Minister and convince him. I think, he will heed to you. You will have to conclude now. I have to accommodate some more Members. Now, it is going to be 12 O'clock. I have generously given you more time.

DR. ARUN KUMAR SARMA : My last point is that the Government of Assam has proposed to the Ministry of Finance to declare Guwahati as a customs airport so that exports can take place from Guwahati itself. But that was denied. That is why, I want to request the hon. Finance Minister to take note of this so that the people of that area derive some benefits. We have all sorts of resources, namely, tea, oil, coal. We have to come to Calcutta for customs clearance. My request in this regard is genuine.

The State Governments in the North-East, mainly the Assam Government has a lot of financial constraints. They have to pay loan interests to the Government of India. The Plan budget for the current financial year was Rs. 1400 crore but only 50 per cent of this amount would be available for utilization by the State.

MR. CHAIRMAN : I will call the next speaker, if you are not concluding your speech.

DR. ARUN KUMAR SARMA : We will be left with only Rs. 700 crore. Other items will be deducted at source because of payment of interest and the capital. Therefore, I would request that a specific measure for the North-East should be taken up so that it can come at per with other developed States in the country.

SHRI A.G.S. RAM BABU (Madurai) : Mr. Chairman, Sir, I rise to support the second Budget presented by the hon. Finance Minister, Shri P. Chidambaram. By following the footsteps of Indiraji, Rajivji and the *Makkal Thalaivar,* Shri G.K. Moopanar, Shri Chidambaram has done a wonderful job to the nation by presenting the Union Budget for 1997-98. The Budget stabilizes not only our economy but also the United Front Government. After taking over the Ministry of Finance, he could not provide much time to his maidan Budget, but this time, he has spared much time to present a wonderful job. We, from the T.M.C. Party, are very proud that Shri Chidambaram, as the Minister of Finance has done a great job for the nation.

Mr. Chairman, Sir, I would like to say that this Budget has pleased all sectors. The proposal regarding the increase of slabs for taxation purpose has benefitted the common man, espacially the salaried group. The proposal to regularise the corporate tax will definitely help the industrial sector, which has become the mainstay of our economy. The hon. Finance Minister has taken much efforts to reduce the burden of excise duty for the common man. He has taken several steps to change the structure of the excise duty slabs from the existing level of 10 to 20 to the three-tier, that is, 8-15-18 slabs. It is a very dynamic step in the revenue sector. I personally feel that this is a bold measure. Various poverty alleviation programmes like Slum Development, Accelerated Aggregated Irrigation Programme, Ganga Kalyan Yojana, Kasturba Gandhi Shiksha Yojana, IRDP, NRY, etc., will definitely help the landless, rural poor, farmers, school children where there is a low female literacy rate. These schemes are job oriented and will give a boost at the grass-root level. The proposal under rural infrastructure has also proved to be popular and successful.

The enhancement in the ceiling of plant and machinery will help the small scale and tiny sector to a great a extent. the proposed scheme of providing loans to farmers in rural areas at normal rate of interest to construct houses is a good step. With this, the landless farmers will be able to build houses in the rural areas. Increased allocation on fertilizer subsidy will help the farmers to a great extent.

The enhanced rate of contribution under the Employees Provident Fund Scheme and ceiling on the amount of gratuity are financially more attractive and will induce savings in the minds of the employees.

The new exploration policy on oil and gas will reduce our dependence on imported petroleum products. The enhanced budgetary support for the National Highways Authority of India will help to implement the new policy on roads and highways. It will definitely be a great step in building up the nation.

Moreever, the exemption of excise duty on all jute products is a good step. It will give a thrust to the ailing jute industry. Next to the agricultural sector, the handloom sector is one of the major sectors which is giving a lot of employment opportunities to the poor people. Madurai has the largest number of handloom weavers in the country. I request the hon. Finance Minister that measures like subsidy and rebate should be extended to the handloom weavers so that they are able to survive in the competitive world. The excise duty on polyester filament sewing thread is causing a great hardship to the industry. In competition with the unorganised sector, thye are not able to survive. I request the hon. Finance Minister that excise duty on sewing thread should be reduced considerably so that the organised sector can withstand the market.

Polyethylene laflatube which is exempted from the excise duty for quite a long time has been levied excise duty in this Budget. I request the hon. Finance Minister to reconsider this proposal. The proposal to reduce the duty on non-coking coal from 20 per cent to 10 percent will help the power sector to a great extent.

The abolition of tax on divident in the hands of the shareholders is a bold measure. It will help the common man. To exempt export profits from MAT is a good step and it will help the corporate sector to a great extent. In the SSI sector the investment limit is extended to Rs. 3 crore. It is a good step. I request the hon. Finance Minister that in the initial stage, at the first level, it can be increased to Rs. 1 crore only. At the same time, the SSI exemption which so far is only Rs. 30 lakh in the beginning and being in the inflationary trend it is continuing, I request the hon. Finance Minister to enhance it to Rs. 50 lakh at the first slab level so that full exemption should be given to SSI units.

Responding to the demands fo the Chief Minister of Tamil Nadu, the amendement to Section 80 G of the Income Tax is a good measure. It will provide 100 per cent reduction to this scheme which will give a great thrust to the economy.

I would like to take this opportunity to tell something about Tamil Nadu. It is one of the neglected States for quite a long time. The water projects, particularly the West flowing rivers, are causing a great loss to the nation. So the West flowing rivers, which fall into Kerala rivers, should be diverted to Tamil Nadu. Schemes like Pamba-Achankoil-Vaigai River Linking Project is a good scheme. It will give a boom to the Southern parts of Tamil Nadu. So I request the hon. Finance Minister to allocate more funds for the Pamba-Achankoil-Vaigai River Linking Project.

At the same time, the Setusamudram project is one of the projects which is not considered for quite a long time. I request the hon. Minister that funds should be allocated for the Setusamudram project. At the same time, the Madurai-Madra highway which is very congested and where there is a lot of traffic, I request the hon. Minister that it should be extended in the four lane road which will definitely help the industrial sector and all these sectors.

Morever, the Madurai High Court Bench is not functioning for quite a long time.

[Shri A.G.S. Ram Babu]

24.00 Hrs.

The Government of Tamil Nadu has allocated a sum of Rs. 4.5 crore in its Budget but still the Bench of the High Court at Madurai is not functioning. I request the hon. Finance Minister and the Government of India to take necessary steps in this regard and see that a Bench of the High Court at Madurai is established at the earliest so that it will give a great thrust to the people of that area.

With these words, I once again congratulate our hon. Finance Minister for his wonderful Budget, which will definitely give a great thrust to the economy.

00.01 Hrs. (20-3-97)

[Translation]

SHRI RAMBAHADUR SINGH (Maharugajganj) : Sir, after having gone through this budget speech, anybody will come to know that this budget has been prepared very cleverly, but the hon'ble Minister forgot that the refered language and arguments can not provide the poor with bread. He overlooked this fact too that most of the people in our country are illiterate and they do not know anything about the budget, they do not know anything about GNP and GDP. They take decision after the result, they take decision about the budget, whether if in good or bad, after seeing concrete results. The budget which provides bread to the poor is taken as a good budget by him. If it does not provide bread to the poor it is not treated as a good budget. Whatever law is enacted, whatever measures are receipts adopted and if any opportunity comes to decide its merits or demerits, only one way is left to have such decision and this way is also emphassed by Mahatma Gandhi. The way for such justification is whether the poor are benefitted by that law or whether it is in the interst of the poor. If it is not in the interest of the poor, it is not a good law. If the poor people are benefitted by this law, it is taken as a good law. Sir, It is stated that this budget is prepared for the welfare of all. It is surprising that we balloon our mouth and laugh simultaneously. There both actions cannot be taken together, similarly the content of the budget the welfare of all cannot be taken as correct. In this context Tulshi Das has stated—

> "Do hi na ek sang dou bhualu !
> Hansai thathai plulai virdalu !!"

On the one hand they say that it will a acrue benefit to Mr. Harshad Mehta also and on the other the poor people, who are fighting for their survival, who are living below the poverty line would also be benefitted. These two aspects cannot to go together. Shri Harshad Mehta represents affluent society but crores of the poor people are leading their life in hell. People like Harshad Mehta always think as to how they could have two cars instead of one, how they could have another palace after having one palace to live, on the other hand the poor thinks as to how he will be able to arrange one piece of bread for his survivals , how he will arrange medicine if he falls ill, how he will arrange a shelter to live in and clothes to wear. There is world wide difference between there two situations. Therefore both the categories cannot have benefit of the budget simultaneously I can never accept that the budget has been prepared for the welfare of both the categories. If somebody says that this budget is for the welfare of the people like Harshad Mehta it means that it is not in the interest of the poor people.

Sir, the results, as are coming, are not hopeful. The prices of the edible items increased during the last 7-8 months were expected to come down after the budget but there is no such indication, the prices of edible items, wheat, life saving drugs have not come down even after the presentation of the budget. If the prices of these items do not come down, this budget cannot be taken to be in the interest of the poor people. The poor people cannot be benefitted by this budget. A few days back it was under discussion that we have been self reliant in the matter of foodgrains. How we shall not be required to ask for the foodgrains from the foreign countries. Such situation will not arise but now the Government is imparting the foodgrains from the foreign countrias. Wheat is being imported. The main reason for this feature is that our agricultural production is not increasing in proportion to the increase in population. Crop production is not increasing. What is the reason behind it ? The reason behind it is that the agriculture sector is being neglected. In economic review it is stated that the pursue capital investment in this agricultural sector has come down. It means that the agricultural sector has been neglected. The agricultural sector can provide ample opportunities of employment. The highest contribution to the Government exchaquar comes from agricultural sector which may strangthen the economic condition of the villages, economic conditions of the country. If this vital sector is neglected in this way, we shall definitely, not only today itself but in future also, have to beg foodgrains from the foreign countries.

Irrigation carries highest priority in the development of the agricultural sector but till now the irrigation potential for about 30 percent cultivable land has been created. It also includes the potential created during the British regime. The farmer of this primarily agricultural country continous to look towards the sky with the expectation of rain at the merey of lord Indra. If rain comes timely and as per requirement, it Is good and it not, drought comes up somewhere and somewhere these is flood. What a irony he has to face. Bihar and Northern Bihar in particular is the most sufferer. The Gandak project has been going on far the last 35 years but it is still under incomplete . . .*(Interruptions)* It is said that the fund is not available. The fund is available for other works but they are running short of fund as far as completion of Gandok Project is concerned.

You just see the Public Distribution System. Under the new PDS policy it is mentioned that the people living below the poverty line will be provided foodgrains at cheaper rates. But the Government is still unaware of the number of people living below the poverty line. The Government should have the information, at its finger tips, regarding the number of people living below the poverty line, in the country, the number of unemployed, the number of people facing starvation death in the country. But the Government does not have any information regarding any of these suspects.

I am reminded of one incident. Once Vinobaji visited our village. He asked about the Head (Mukhiya) of the village. Instead of calling Mukhiya, MLA was called. When he was asked about the population of his village, he replied 700-800. On his reply Vinobaji said even God can not do any welfare to this village. If a father is asked about the number, of his children and he replie 7-8, how the welfare of his family would be ensured. The Government that does not know about all these things . . .*(Interruptions)*

MR. CHAIRMAN : Please Conclude.

SHRI RAMBAHADUR SINGH : I am concluding. If the Government says that we are presenting the budget for the welfare of the poor people, the person like me cannot believe it. My one more point is that the political interference in education should not be allowed . . .*(interruptions)*.

MR. CHAIRMAN : How you come to your last point and conclude.

SHRI RAMBAHADUR SINGH : If political interference in education is allowed the importance of educations vanishes. I would like to discuss here one incident occured in my area. Some criteria has been laid down for opening of the Mandays vidyalaya and the Mandays Vidyalaya is opened only after the fulfilment of this criteria. Jawahar Mandays Vidyalaya has been functioning in my constituency for the last four year. At that site, a training school was functioning, which was don't down long ago. Bihar state Govt. had deleted 30 acre land for this school. Sacotion has been granted. The selection committes had said, there times, that building will be constituted at that very site but all of sudden the site had been changed. Hon'ble Education Minister will now going to lay its foundation stone somewhere else. New site is not safe. Main used is also for away from it. The site where foundation stone is to be laid, is a pound site. 40 to 55 lakh rupees will be spent to fill earth in the pound. But Govt. insists that foundation stone will be laid at that very site. The Government should consider as to why the terms . and condition are being neglected and school is being shifted to another site ?

I conclude with these words.

[English]

SHRI V.P. SHANMUGA SUNDARAM (Gobichettipalayam) : Mr. Chairman, I rise to welcome the Budget proposals for the year 1997-98 presented by the Minister of Finance in this House on the 28th February, 1997. As we all know this is the second Budget within a short period of nine months for the United Front Government.

After the Budget was presented in Parliament, I have gone through several newspaper reports, write-ups, remarks by eminent personalities and I have very rarely come across any negative aspects of the Budget. It is my opinion that even these adverse remarks have been made due to political compulsions and they have nothing against the Budget proposals as such. The Central Budget was always considered a monster released by the ruling party every year to devour the people at large.

For the first time after 50 years of freedom in independent India we have a Minister of Finance who has changed the whole concept and general belief that the Budget is a thing to be hated. He has made it a welcome one and we see encomiums bestowed on him from one and all not only from this country bur from international quarters also. If this trend continues the people will look forward eagerly to such budgets every years.

When the United Front Government was formed about nine months back the prophets of doom predicted that the Government would last only for a few days or weeks. However, the United Front Government has come to stay and the people are confident particularly after the Budget that it continues to stay till its term expires. The Minister of Finance had to reckon with many constraints not only economic but also political. He had to tackle conflicting pulls and pressures, the economic realities and conventional solutions suggested by the officials pushing him in one direction and the unconventional ideas of some of the constituents to the other.

We are proud that our Minister of Finance has presented growth oriented budget. It is bold and imaginative. Priority has been given to agriculture which is our main stay and the concern of majority of our people. At the same time, Science and Technology also has been given its due importance keeping the modern trend in view all over the world.

[Shri V.P. Shanmuga Sundaram]

The corporate sector is more than satisfied as it has got more what it expected. He has cut taxes across the board, increased the Plan expenditure, provided for expenses that will follow acceptance of the Fifth Pay Commission's Report and has yet projected a fiscal deficit that would be just 4.5 per cent of the gross domestic product in 1997-98. It is a pro-people Budget. It aims at recognising the claims of all the sections of the people. Indeed, this year's Budget is a splendid effort on the part of the Minister of Finance to make it generally acceptable and contains pragmatic features. Pherhaps, it is the first Budget of the Central Government which has provoked practically no protest.

The hon. Minister has also given tax concessions for industrial rejuvenation. The tax on divident income has been abolished for attracting investments in equities. Exemption of duties and adoption of measures to boost the productivity have been resorted to curb inflationary impulses. Personal tax rates have been lowered to augment voluntary income-tax returns. More powers have been given to the Reserve Bank of India for strengthening the fiscal discipline and ensuring a greater balance in the conduct of the monetary policy. The Budget gives something to the harassed middle class, particularly the salaried persons, to cheer about.

As pointed out by my leader Dr. Kalaignar M. Karunanidhi, Chief Minister of Tamil Nadu, the Budget contains a number of welcome features in respect of the States. In particular in response to the demands of the State Chief Minister to emplement the recoomendations of the Tenth Finance Commission, the hon. Minister of Finance has agreed that a share will be given to the States in the aggregate Central Tax revenues. This is a good beginning and I am sure he will enlarge it in the years to come. The steps proposed to be taken to bring about Capital Account convertibility are not only innovative but courageous. Hundred per cent tax exemption for donations to the Chief Minister's Relief Fund will be welcomed by all the States. With an exercise like this and particularly with a new approach there are bound to be some deficiencies here and there.

The Electronic Component Association has said that no relief has been given to the Electronic industry in the Union Budget. The Electronic industry is a very important one in our country and it is going to be the most important in the next Century. The industry has to be given all encouragement and nothing should stand in the way of its development. The grievance of the Electronic Industry has to be looked into. It is also reported that the small investors will not benefit from the proposal to abolish double taxes on dividend and only financial institutions and multinational companies holding a sizable status in Indian companies will be major beneficiaries of the proposal.

I want to raise one more issue which relates to my State. The Tamil Nadu Powerloom Terry Towel Manufacturers and Exporters Federation had threatened to suspend production from first of April in protest against the levy of excise duty on terry towels. The announcement of lifting the ceiling for duty, levy on terry towels in the Union Budget have rubbed salt in the wounds of the small manufacturers. This variety had traditionally been enjoying duty exemption but by an order dated September 9,1996, excise duty was levied for production exceeding Rs. 30 lakh per annum. The ceiling in the current Budget had been lifted subjecting the entire volume of towels manufactured to the levy. They have to be protected as they have no other means of income.

Suggestions have been made from time to time even in this House that the States are better placed to take up the welfare and other development schemes as they are nearer to the people and, therefore, the Central and Centrally sponsored schemes are better left to the States. The hon. Minister has also suggested a few months back, and very rightly, that some of the Ministries at the Centre be closed down. The Ministries where the subjects being handled are in the State List which could be closed down and the savings thus effected could be transferred to the States.

To conclude, I support the Budget presented by our beloved Minister of Finance in this august House.

SHRI R. GNANAGURUSHAMY (Periyakulam) : Mr. Chairman, Sir, at the very outset, I am very thankful to you for giving me an opportunity to participate in the discussion on the General Budget. I rise to support the Budget.

The Common Minimum Programme is the *Magna Carta* of the United Front Government. It is also the brain child of the hon. Minister of Finance. That is why, he has given a meaningful interpretation to the Common Minimum Programme by presenting this progressive Budget. This Budget is for both the haves and have nots.

Sir, I will narrate some of the welcome features of the Budget. The income-tax rate on all slabs has been reduced from 15, 30 and 40 per cent to 10, 20 and 30 per cent respectively. The standard deduction has been raised to Rs. 20,000 enabling the tax-free income up to Rs. 75,000. The income-tax exemption up to Rs. one lakh is given to senior citizens. The surcharge on Corporate Tax is abolished. MAT will continue with the carry forward system and export profits are exempted.

The tax on dividend has been abolished. The duty on telecom equipment has been reduced from 40 per cent to 30 per cent. The duty on medical equipment is slashed to 20 per cent. The oil exploration and industrial perks are included in infrastructure sector. The budgetary support to the National Highways Authority of India is enhanced to Rs. 500 crore. These are some of the few welcome features of the Budget. The Plan outlay for the year 1997-98 is Rs. 91,839 crore. For the previous year, 1996-97, it was Rs. 87,086 crore. There is an increase of Rs. 4,753 crore. This was achieved by the hon. Finance Minister without taxing the poor, without harassing the middle class or without mulcting the sophisticated class. On the other hand you have given all the tax reliefs. They are being given the various relief measures financially.

The food subsidy has been increased to Rs. 7,500 crore. During the year 1996-97 it was Rs. 5,884 crore. There is an increase of Rs. 1,434 crore. The hon. Finance Minister has promised in this House that he will provide more funds if the dual card system of Public Distribution system is there.

Sir, ours is a predominantly agricultural nation. Ninety per cent of the population are being engaged in agriculture. but the Plan outlay for this sector is too meagre. For 1996-97 there was a provision of Rs. 2,831 crore. For the year 1997-98 there is a provision of Rs. 2,969 crore only. The increase is very small. Though the nation is predominantly agricultural nation and most of the people in the nation are employed in agriculture, the Plan outlay for this sector is very meagre. Of course, the outlay for the year 1996-97 has not been fully utilised by the concerned Ministry.

NABARD is being given Rs. 500 crore. For the accelerated irrigation benefit programme an amount of Rs. 1,300 crore is being given, compared to Rs. 900 crore which was allocated last year. Unlike yesteryear, considerable amount has been allocated to Defence. Not only that – the hon. Finance Minister has given a solemn undertaking in this House that he will provide more funds if and when necessary for the Defence purpose.

Of cource, it is claimed by most of the Members that the present Budget is a bonanza for the industry. Surcharge of 7.5 per cent has been abolished. The corporate tax is reduced to 35 per cent. The exemption on excise duty is given upto Rs. 30 lakh. These are all the concessions which are bonanza for the industry. It is said in this august House that – according to some Members – all these concessions that are given and the taxes abolished for corporate sector and exemption of excise duty and other concessions granted to the companies will open the floodgates in India for the multinationals. The multinationals, the foreign nations are going to dump their commodities in India.

The global economy has changed. The global economy is marching towards liberalisation. When the global economy is changed, India cannot keep its eyes closed without taking care of what is creeping up under its very nose. When the global economy has changed, India ought of automatically change its stand also. The economy is changed towards liberalisation. India is marching towards liberalisation. The liberalisation is thrusted upon India. Of cource, we have to sail with the wind. We have to sail with the world. The march towards liberalisation is not an independent act of India. It is going along with other nations.

As a welcome feature the L.I.C. and G.I.C. are allowed to maintain their monopoly in their respective fields.

The worst casualty in this Budget is the small scale industry. The investment ceiling has been increased from Rs. 60 lakh to Rs. 3 crore.

It will tempt the medium and large-scale industries to step into small-scale industries with the intent to avail of the benefits available to small-scale industries. As an insult to injury, 14 items have been deserved and taken away from the small-scale industries. It will be a death knell no small-scale industries. On the other hand, I feel that more consumer goods should have been reserved for small-scale industries.

Section 139 of the Income Tax Act is proposed to be amended. According to the proposed amendment, if any person living in a metropolitan city comes within two of the four categories, that is, owning a phone, owning a car, owning an immovable property or had one foreign trip in the previous year is bound to submit the tax return. As the hon. Finance Minister puts it, he may even submit a non-liability return. But he is bound to submit a return. Owning a car and owning a phone is not a sin. A person cannot be compelled to bear the cross for having a phone or a car. Of course, the hon. Finance Minister would say that it is proposed to be amended to widen the tax base and to bring in more assessees within the tax net. I would request the hon. Finance Minister to reconsider this proposal.

With regard to Voluntary Disclosure Scheme, I would say that it is a welcome feature. It will being out the black money. A person disclosing his income under the Voluntary Disclosure Scheme is disclosing only his previous year's income. Had he disclosed his income in the previous year, he would have paid 40 per cent as income tax. Since he violated the law and did not disclose his income, he is blessed with a 10 per cent incentive on disclosing his income under the Voluntary Disclosure Scheme whereas the man who honestly disclosed his income had paid 40 per cent tax. What is the analogy ? Under this Scheme,

[Shri R. Gnanaguruswamy]

at least, the person should be compelled to pay at least 40 per cent tax which he should have paid in the previous year.

Unemployment is a very acute problem in India, but no provision has been made for it. The Government may issue infrastructural bearer bonds to bring out the unaccounted money.

My constituency is situated on the foothills of Western Ghats. Lakhs and lakhs of people are engaged in Cardamom cultivation. Very recently, the cardamom from Gautemala is smuggled into India and sold in the open market., With the result, the price of cardamom product in India is coming down. It is affecting entire cardamom planation. In spite of my repeated requests to the Finance Ministry and Commerce Ministry, no action has been taken. If this smuggling activity is not stopped, cardamom plantation will come to a standstill. Likewise, I would request the hon. Finance Minister to look into the plight of coffee growers. They want to wipe off their earlier debts because due to low production and low price, they have been living in a debt-trap for the last 10 years. I support the Budget. Thank you very much for giving me an opportunity.

SHRI A. RAJA (Perambalur) : Mr. Chairman, Sir, I rise to support the Budget for the year 1997-98 presented by the hon. Finance Minister. As one of the youngest Members of this august House, I may be permitted to submit my views on the Budget as my maiden speech.

Before that, it is my duty to express my gratitude to our leader Dr. Kalaignar, the Chief Miniser of Tamil Nadu by whom I was inducted into the school of thoughts of Thanthal Periyar and Arignar Anna, our political ideologists in my school days and by whom I stand before you today.

Sir, in accordance with the framed political ambit, namely the Common Minimum Programme of this Coalition Government, the Finance Minister has come out with this Budget which pleases all sections of the people of this great country, subject to the exceptions as we cannot refer to them, since single swallow does not make the summer. It is a mark of proudness of this Government, which gave this Budget as a balanced one in its mode of taxation and way of expenditure.

I am well aware that the social contradictions are universal for all times and all countries and they admit no exceptions. But in our country, we should honesty admit that we have not achieved our goal in minimising the contradictions despite the measures taken by the Governments in the past 50 years. Now, the United Front Government which stands for social justice took over the responsibility to run the Government and as such, the entire country expects more from us.

Whenever a Budget is presented, the people have basic and cardinal norms to determine its content in their own views. The views usually come from the general mass of the common people, the business community and the foreign constituents. Many times, it was not possible for the Government to satisfy all these three sections on Budget issues. But this time, indeed, the Budget satisfies all these three sections.

Sir, as the House is well aware, our hon. Finance Minister has piloted two targets, namely, building of infrastructure and improving social service expenditure for building human resource base. Our Finance Minister is receiving encomiums from all corners for his estimation on the area of infrastructure which covers irrigation energy, transport, communication, science and technology and environment.

Sir, yet another aspect which is to be appreciated is that this Budget keeps the deficit level unbelievably low. The revenue deficit is kept at 2.1 per cent of the GDP and the fiscal deficit is kept at 4.5 per cent. As a matter of fact, this was not even achieved by the former Finance Minister Shri Manmohan Singh. Similarly, the direct tax proposals are being welcomed by nearly every section of the society. The new income tax rates, the corresponding tax slabs and the new corporate tax are unbelievably good. The withdrawal of MAT on export profits and allowing of total exemptions under the Income Tax Act and also the reduction in the import duty on capital goods to 25 per cent are good steps in he Export-Impot Policy. On the other hand, the Budget is equally good and generous with individuals. The lowering of personal income tax, widening of the tax net and also proposing a scheme to bring out the black money into the mainstream of the Government sources should certainly pay dividends.

Sir, we started talking about the 21st Century a few years ago. In order to give reality to this talk, the Budget gives full exemptions in the customs duty to computer softwares and reduction in duty on computer parts to help the domestic industrial development.

Sir, when there is a huge welcome by all for raising the tax ceiling and clearance by the SSI sector for reserved items upto Rs. 50 lakh, I heard voices from the small scale industry as they are having apprehensions in their mind that raising the investment limit in plant and machinery from Rs. 60 lakh to Rs. Three crore for SSI units would prove detrimental to their growth since the large and medium scale industries would be tempted to enter this sector to enjoy the benefits which are now extended only to SSI units and as a result, the SSI units would not be able to compete with them.

I request the hon. Finance Minister to consider the apprehension if it is reasonable. Similarly, the Minister of Finance has declared to make rapid changes and replacement of certain laws like FERA and some provisions of Company Act and I hope that these attempts will serve more to the stability of our economy and to eradicate the economic offences.

Sir, I have enumerated some of the distinct credentials of the Budget on taxes and other fields. Besides, I would like to mantion some more points. As I mentioned earlier the social contradictions are yet to be solved at any cost but witin a time limit. Our Constitution maker Baba Saheb Ambedkar gave a caution when our Constitution came into existence. He said :

> "On 26th January, 1950, we are going to enter into a life of contradictions. In politics we have equality and in social and economical life we will have inequality. How long we can deny equality in social and economical life ? We must remove this contradiction at the earliest possible moment or else those who suffer from inequality will blow up the structure of democracy .

Sir, if we do not want to put this caution of Baba Saheb Ambedkar into cold storage, we have to pay due attention to this field of social justice and reforms, poverty alleviation and basic needs of the people. Scientific inventions, modernising the defence, achievement in space research are no doubt the parameters to measure our status among the world countries. But for that sake we cannot Ignore the life and rights of unlettered gullible masses of this country who were denied education, human rights and basic amenities for years together.

It is needless to submit before this House that these people who are denied their due rights are busy in producing wealth of this country and for elites, they eat, quarrel and sleep. The endless pleasure and perpetual leisure of the elites are merrily going ahead without accounting the expression of dismay for these downtrodden people. Sir, I am happy that this Budget made deliberate attempt to minimise these types of flourishing business of blood-sucking, on the people of "nothing to lost", as the budgeting support to the Central Plan is being concentrated on rural development and agriculture. As the hon. Finance Minister has rightly described, 'agruculture Is the life and blood of our economy' and accordingly the announcement made with regard to Regional Rural Banks and NABARD are unique and positive steps.

Coming to social sector, I am having a kind of frustration or depression in my mind as Shri Priya Ranjan Das Munshi said in the House In the morning and I do believe it has some consistency. It Is because, when thousands and thousands of rupees are being pumped for poverty alleviation programmes through Prime Minister's Rozgar Yojana, IRDP, NRY, TRYSEM, IAY, EAS but the condition of the rural poor still remains unchanged, stinking in the stagnated pool. Hence, I do feel that we have to reconsider our programmes and its made of implementation. Fresh rules should be framed to avoid exploitation by executives and middlemen while the schemes are launched towards the poor. This is an urgent need today since we are going to spend about Rs. 16 crore as per the outlay for social sector.

One more important feature of this Budget is, literacy programme for women in the name of Kasturba estimated with a tune of Rs. 250 crore. Sir, as we are the followers of Thanthai Periyer EVR who revolted against all sorts of suppression, *i.e.,* caste, creed, religion and sex; We welcome this scheme which would be a 'catalyst' for social reforms. Periyar EVR observed that in India women are enslaved twice. Firstly by the religion as a common factor as it does to all and secondly by the men. He further stated that in India, the women are being used as a show case of jewels and ornaments and machines to produce children. If we want a real emancipation of women from the yoke of this cult and dogmas of male chauvinism, they must be educated and accommodated in job for self earnings. I hope that the present scheme formulated by the hon. Finance Minister will serve that purpose to constitute such an anticipated egalitarian society.

Sir, though many positive features are found in the Budget, I want to finish my speech within the time limit by quoting the saying of saint Thiruvalluvar on management, procedure and execution.

He says :

"porul karuvi kalam vinai idanodu ainthum
irul theera yenni seyal"

It means "men and material, finance, place, time of action and job objectives are to be studied for perfection.

I do feel that this Budget, presented by the Finance Minister, is no doubt a 'studied perfection' as Thriruvalluvar said.

MR. CHAIRMAN : Congratulation for your maiden speech.

[Translation]

SHRI SANTOSH KUMAR GANGWAR (Bareilly) : Mr. Chairman, Sir, I thank you for giving me a chance to speak, although it is too late. It is my presumption that the poor farmer Prime Minister of the country has presented a very attractive budget he will try to make the entire country a Swarg (paradise) the countrymen as Swarg Wasi

[Shri Santosh Kumar Gangwar]

(expired) About rupees ten thousand crore was saved by the Finance Minister in the 1996-97 is budget. This money was saved from those sectors, which are vital and important for the country.

I want to know from the Hon. Finance Minister whether there will be cost percent literacy in the country by 2000 A.D. As per the Lokkarwala Report, the percentage of people living below the poverty lime has increased more than 30 percent. I think this figure will increase by the end of 2000 A.D. I want that the Hon'ble Finance Minister should declare that by the year 2000 A.D. there will be none in the country below poverty line.

[English]

SHRI P. CHIDAMBARAM : If the people of the States and the Governments of the States summon the will and determination which the people and Government of Kerala have done, then all the States can become truly literate. It is the same policy of the Government of India. How is Kerala one hundred percent literate, and why is it that Rajasthan is only 17 per cent literate ? Therefore, do not blame the policies of the Government of India. Look inward. Ask yourself as to why Uttar Pradesh, Bihar and Rajasthan are backward and Kerala is one hundred percent literate. Very shortly, Tamil Nadu would become one hundred per cent literate.

MR. CHAIRMAN : Even a small place like Lakshadweep is one hundred per cent literate.

[Translation]

SHRI SANTOSH KUMAR GANGWAR : Very well said, Sir. Them we should assume that there is no need for Union Government. Instruct all the States to genereate resources themselves and progress. Why the Centre Govt. made allocation in budget accordingly to statewise. It rounds good that Kerala has attained 100 percent literacy, everyone knows the reasons behind this achievement. Please take this country as one unit, not statewise you may ignore what is happening in Kalahandi in Orissa. You may leave what is happening in Laddakh and Leh. You may district the major party Rajasthan to other states.

[English]

SHRI P. CHIDAMBARAM : I did not say that. All I said was that the people of these States, the political leaders of these states and the Governments of these States must do much more and much better. What is the point of blaming someone else ? You must ask yourselves, what is the wrong with the governance of these States ?

[Translation]

SHRI SANTOSH KUMAR GANGWAR : You may hang all persons who are doing misdeeds.

MR. CHAIRMAN : Leave this aside please.

SHRI SANTOSH KUMAR GANGWAR : You cannot shink your responsibility. The side is treated carefully in the family, but unfortunately this is not being done in the country. In our rural areas, this thing is said :

Uttam Kheti, Madhem baan,

Nikhad Chakri, Bheekh Nidan.

country will prosper only, if the farming is undertaken properly. But today we have changed its meaning. We have given preference to Bheekh meaning service. Today service is the best, because one can get job of Rs. one lakh for a month. The poor farmers gets nothing. Untill you changed this trend, the country can not prosper. Two third popula-tion lives in the rural areas. Today what is the identity of our country ? When one foreigner asked Late Smt. Indira Gandhi about that she said in a 'Kumbh Mela' thousand of people visited without proper cloth, footwear. They took the both in the holy river Ganga, it is the true picture of India. If you think it is not so, what can I do for it ? The todays position will be reviewed after fifty year that what the present Govt's had done for the propuity of the country. I do not want to take more time on this subject. I do not know about financial matters. I am a rural person. There is nothing in the budget, which can pleased the rural people. Whether our budget is only for tax payers ? Whether it is for those who have celluler telephone and computer. If we get publicity, what is harm therein. It will be better for the country if every family in the country has computer and cellular telephone. We do visit abroad. You have mentioned about Rajasthan, Bihar, Orissa, Uttar Pradesh. You should visit any house in a village and see for yourself how poor they are ? They are not able to eat two times a day. They are living in poverty. There may be some good houses and prosperity in Western Uttar Pradesh's rural areas, but in eastern Uttar Pradesh area, you can see poverty only. The remedy is not Khala ? We should give full opportunity to these states also. I urge that Planning should be made in this way. Our country is still living in the cycle age. In the country there are certain people, who can afford to buy a car for Rs. 10-15 lakh, but if the prices of foodgrains go up, he starts worrying. The budget maker should also learn from Chankaya's policy. I do not want to go into details in this regard. Why China & Japan have prograssed ? Our former Prime Minister Sh. P.V. Narsimha Rao had once said that we should fix our target for foodgrains for 2010 AD. Today our foodgrains production has been only 190 million tonne, where our population goes on increasing. I am of the view that we are adopting Family Planning but we lacked Agricultural Planning. What will be our requirement of foodgrains after ten years, who will we meet them ? We have imported some quantity of wheat & we are deficit of 30 lakh tonne of wheat this year too. How will we be able to meet our demand of wheat ? One of our friend was tolling that we are heading toward PL.–480 period. When we start importing wheat all of your plans will be of no use.

Shri Sharad Yadav had said that there are 45 members of Janta Dal & if need be, they will leave the power, You are not bothered about the country. You think that you will do nothing if your Govt. does not remain in the power. I will be brief. We must think about the real problems. Many villages & blocks in the country are becoming dark without power. Water level is going down. Water storage capacity in our rivers is getting low. Cities are facing water shortage. I invited Hon'ble Minister to visit only village of Uttar Pradesh. Farmers will be happy to welcome him. I will draw the attention towards 2-3 points. Previously it was felt that on one will oppose this budget.

MR. CHAIRMAN : You are the last speaker. Pl. conclude your speech early.

SHRI SANTOSH KUMAR GANGWAR : I will not take much time and will conclude in 2-3 minutes. As the time goes on, the criticism also goes on. I belong to Bareilly. Wimco factory is situated in Barielly. The workers of the factory told me that their factory is going to be closed down. Why ? The Hon'ble Finance Minister has given mechanised areas for the match box factories and the excise duty has been increased. Wimco is a indeganeous company and produce 15 percent of total productionly of match boxes in the whole country. The difference of rate is such that there is excise duty of 50 paise on the cottage industry and excise duty of three rupee is charged from this factory. The factory will be closed down and 10,000 employees of this factory will be unemployed. The employees of the factory have submitted many memorandum. Also a number of Members have given such memorandum in this regard and If Finance Minister wanted that this factory should run then the demands of these 1,0000 employees should be given a sympathetical consideration. You have increased the tax on Jem and telly but indirect tax has been levied on piclue. You have said that no tax will be levied on business man having turnover less than Rs. 30 lac. You are earning 100 crores rupees from this industry. There are ample possibilities for setting up of food processing industry in the country. Please consider in this regard. You may receive memorandum in this regard that you are going to closedown such an industry which has ample opportunity. My submission to consider in this regard, so that the industry can survive

I will talk problem of a agriculture in my areas. There is a IFFCO's fertilizer plant in our area. Its capacity has increased, but it is in carring loss to the tune of one crore rupees daily. Please look in this regard, Gas Authority of India has not been supplying the adequate quantity of gas and as a result thereof, the optimum capacity of the plant in not being utilised. On account of it there has been a continoues loss of one crore rupees per day for the last hundred days. But nobody listen to this problem. The Govt. should pay attention towards it and ensure that fertilizers are being supplied to farmers.

In the end, I want to say something about literacy. It would be beneficial, if the primary schools are set up in each village of the country be diverting the funds allocated for the other purpose. But due same is not being done. New schemes are being formulated Indira Gandhi Open University has been set up. The students of this University alleged that they do not get admission in Roohailkhand University. If Indira Gandhi Open University is not recogonised, then HRD ministry should stop admission of students therein.

In the end, I do not find anything in this budget which is of interest to common people. 25 percent people had praised the budget but majority of people of this country are not praising your budget. It appears to be a pteice of magic show. As in the magic show the thing first appear but later on it disappears.

In the end, I thank you for giving me an opportunity to speak. The people of this country will not forgive the Government for presenting this budget.

[English]

MR. CHAIRMAN : The House stands adjourned to meet again at 11.00 a.m.

00.54 hrs. (20.3.97)

The Lok Sabha then adjourned till

Eleven of the clock